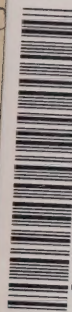


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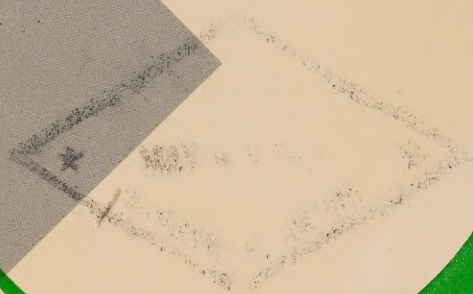
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Foreign- owned Subsidiaries in Canada 1964-1971

A report on operations and
financing by the larger subsidiary
companies

Canada, Dept. of Industry,
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Publications

Foreign- owned Subsidiaries in Canada

A report on operations
and financing by the larger
subsidiary companies
for the period 1964 to 1971

Published by the Department of
Industry, Trade and Commerce
Ottawa, Canada

Publié par le ministère
de l'Industrie et du Commerce
Ottawa, Canada

Information Canada, 1974

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INTRODUCTION

This is the fifth report on certain aspects of the operations and financing of the larger foreign-owned subsidiary companies in Canada. The first report, published in June 1967, pertained to the years 1964 and 1965; the second, released in April 1970, covered the years 1964 to 1967; the third, published in February 1972, enlarged the coverage period to include the years 1968 and 1969; and the fourth, which appeared in November 1972, took the form of a statistical supplement that updated the information to 1970 and contained certain revisions to the data for 1969. The present report covers the year 1971 and includes the more important statistical data published previously for the other years in the 1964 to 1971 period.

The information given in the report is derived from the annual and quarterly surveys of the larger foreign-owned subsidiary companies operating in Canada. These surveys were initiated in 1966 to provide regularly factual information that could be used to assess the performances of these subsidiaries in relation to the stated objectives set out by the government in "Some Guiding Principles of Good Corporate Behaviour." A secondary aim was to have available suitable information from which to assess the role of foreign-owned subsidiaries in the Canadian economy.

The participants taking part in the surveys are non-financial companies incorporated in Canada with assets of more than \$5 million and whose voting shares are more than 50 per cent owned by a non-resident corporation. The number of respondents covered by the survey has fluctuated between 322 and 334 during the 1964 to 1971 period, but the total number of individual companies reported for by these respondents has remained fairly stable at about 970. The companies included in the survey had total sales of \$15.2 billion in 1964 and \$28.1 billion in 1971. This volume of business represents about one fifth of the sales of all non-financial, non-government corporations in Canada. In the important mining and manufacturing fields, the activities of the subsidiaries covered in the survey accounted for almost two fifths of the sales of these two industries. In terms of business carried on by all non-financial corporations in Canada whose voting shares are more than 50 per cent foreign-owned, the reporting corporations accounted for more than one half of the total sales of all such businesses and for some three fifths of the business done by those in the manufacturing and mining industries.

The operating data contained in this report are mainly revenues produced by the sale of merchandise and services and expenditures made on goods and services by the respondents; these are shown by the three main geographical areas used in the report, i.e., Canada, the United States and all other foreign countries. These data provide a quantitative basis for the assessment of sales performance in both the domestic and export markets and for the extent of the respondents' reliance on foreign as opposed to domestic

suppliers for purchases of goods and services. Information is also given on the transactions of the participants with their parents and affiliates abroad and these data indicate the degree to which the respondents depend upon foreign-associated companies for both export sales and import needs.

The data collected are classified by 11 major industry groups which enables industry by industry comparisons both in terms of nature of transaction and changes occurring over the period reviewed. In this connection, it should be noted that the pattern of sales and purchases varies among different companies according to the nature of their transactions and the purposes for which the subsidiary was set up in Canada. Some companies, especially those in the resources field, were established primarily to supply foreign markets, while others, particularly those in secondary manufacturing, were set up to serve mainly the domestic market. Similar variations occur in the sources of supply depending upon requirements. For these reasons, any comparisons relating to marketing or purchasing performances should take these structural differences into account. In fact, for individual industries comparison over time may be a more valid measure of performance than comparison with other industry groups.

The financial information requested in the survey forms relates mainly to sources of funds divided between internal generation and those obtained externally, with the latter shown by geographical source. Information is also collected on earnings and their disposition. These data permit examination of the shifts between foreign and domestic sources of financing and among the various methods of obtaining external financing, the proportions of net profits paid out as dividends and other relationships that facilitate assessment of the role of international and multinational companies in financing Canadian economic development.

While the number of reporting corporations covered in the survey has varied somewhat over the 1964 to 1971 period, it is believed that the statistics are sufficiently consistent to enable trends to be discerned and general conclusions formed.

A fuller description of the coverage and technical features of the survey including industry classifications are given in Appendix I. Copies of the annual and quarterly forms, together with a reproduction of the "Guiding Principles of Good Corporate Behaviour," are contained in Appendix II.

This report has been made possible through the excellent voluntary co-operation of the larger foreign-owned subsidiaries in Canada.

J. F. Grandy

Deputy Minister

Department of Industry, Trade and Commerce

SUMMARY

This report presents data on the operations and financing of larger foreign-owned subsidiaries for the 1964 to 1971 period with special reference to the years 1969 to 1971. This summary outlines significant trends and some major developments that took place in domestic and foreign sales and purchases as well as profitability and financing of respondents during this period.

The information supplied by the reporting corporations points up the important part subsidiaries of foreign parents play in the Canadian economy. In very general terms, the data provided by the respondents indicate that they are responsible for about two fifths of the total production of Canada's important mining and manufacturing industries and that they account for about the same proportion of Canada's total merchandise exports and imports. Because of their extensive inter-company merchandise transactions and the multinational character of their parents in many cases, they have an even more important role in the Canadian balance of international payments. The interest and dividends paid abroad by the reporting corporations during the survey period were equivalent to about one third of the total for Canada as a whole. The respondents brought about \$1½ billion in new foreign investment capital into Canada between 1965 and 1971; there were net inflows of such capital in six of the seven years for which information is available with amounts ranging from \$560 million in 1965 to \$80 million in 1969; in the other year, 1968, there was a net capital outflow of \$168 million. In addition, the respondents raised some \$1.4 billion for financing purposes in Canada during this period. These and other statistics given in this summary confirm the substantial contributions made by the foreign-owned subsidiaries operating in Canada to the nation's economic development in general and to Canada's balance-of-international-payment position in particular.

Earlier reports in this series have noted a number of trends that seemed apparent in the operations and financing of the reporting companies. These included a significantly stronger growth rate in terms of sales than is apparent for Canadian companies as a whole; a marked trend towards greater emphasis on international trade with exports and imports accounting for increasing proportions of total sales and purchases; a tendency for more of the respondents transactions to be with the United States and particularly with affiliated companies in that country; a trend towards greater reliance on Canadian sources for financing; a tendency for dividend payments to represent a smaller percentage of earnings. The data for the most recent years, 1970 and 1971, suggest that while the above-noted trends were typical of the period from 1964 to 1968 or 1969, there is evidence that not all were continued in the subsequent years.

Operating sales of the reporting corporations showed a somewhat smaller rate of increase in 1969 than in any of

the previous four years and in 1970 the gain was only about one per cent. This was followed by a sharp 14 per cent rise in 1971. The performance in terms of sales by these companies in the 1968 to 1970 period was no stronger than that of Canadian industry as a whole.

Export sales of the companies which had risen sharply from 1965 to 1969 levelled off in 1970 before showing a further significant advance in 1971. Exports as a percentage of total sales had increased from 18 per cent in 1964 and 1965 to 26 per cent in 1969, this percentage remaining virtually unchanged in the subsequent two years. Export sales of respondents had represented a large proportion of total Canadian exports in each year from 1964 to 1969 rising from 34 per cent to 42 per cent over the period. In neither 1970 nor 1971 did the proportion reach as high as 42 per cent.

Similar tendencies were apparent in the imports of the reporting companies. After a sustained period of strong advance from 1964 to 1969 there was an actual decline in 1970 and a strong recovery in 1971. Imports as a percentage of total purchases rose from 28 per cent in 1964 to 39 per cent in 1969, but declined to 37 per cent in 1970 and only recovered to 38 per cent in 1971. The contribution of the respondents to total Canadian imports had risen from 32 per cent in 1964 to 41 per cent in 1968 and remained virtually unchanged in the subsequent three years.

A number of factors no doubt contributed to these recent developments but two are worthy of particular note. The slowdown in activity in 1970 was associated with the generally unfavourable economic conditions in Canada in that year. The second factor was the pattern of trade in automotive products following the Canada-United States Automotive Agreement of 1965. Export sales in the transportation equipment industry, of which Canadian automotive goods manufacturers comprise a large part, soared from \$375 million in 1964 to more than \$3.1 billion in 1969. Imports of this industry over the same period rose from \$715 million to greater than \$3.2 billion. These increases were the major factor in relatively sharp increases in trade activity by reporting corporations as a whole. Following 1964 the rate of increase in both exports and imports of the transportation equipment industry was much more moderate and did not significantly affect the trend in the activity of the subsidiary companies as a group. It should be noted that if the transportation equipment industry is excluded the proportion of both exports to total sales and imports to total purchases were lower in 1971 than in 1964.

Growing trade under the automotive agreement was an even more important factor in determining the geographic direction of transactions of the reporting companies. While the bulk of receipts of these companies originated in Canada, this proportion fell from 81.7 per cent in 1964 to

74.6 per cent in 1969 and those originating in the United States increased from 10.9 per cent to 20.6 per cent over the same period. Following 1969 these proportions tended to stabilize. The same trend is apparent in purchases with those from Canada decreasing from 80.7 per cent of the total in 1964 to 72.3 per cent in 1969 and those from the United States rising from 14.4 per cent in 1964 to 23.5 per cent in 1969. If the transportation equipment industry is excluded, the geographic pattern of payments remained almost stable from 1964 to 1971. Similarly for total receipts the United States share was unchanged through the period but there was a slight tendency for the Canadian share to increase and that of third countries to decline.

Transactions with affiliated companies were also heavily influenced by automotive trade. In 1964, 48 per cent of all exports of the companies were to their parents and affiliates abroad; by 1969 these proportions had risen to 72 per cent. Over the same period the proportion of total foreign purchases from affiliated companies rose from 67 to 76 per cent. In the case of both exports and imports this proportion was little changed in 1970 and 1971. The growth in trade with affiliates was principally to affiliates in the United States which accounted for the rising relative importance of these transactions. However, this trend tended to level off after 1969.

Changes in financing practices of the reporting companies have been governed by the requirements for and the availability of funds. Over the period for which the companies have reported financial data, funds available from sources within the company in the form of retained earnings and depreciation allowances have grown each year, the only exception being in 1970 when earnings declined. In 1965 such internally generated funds amounted to \$1,248 million; by 1968 they reached \$1,608 million and in 1971 totalled \$1,765 million. The early part of the period, 1965 to 1967, featured large capital expenditure programs and fund requirements were substantially in excess of those generated within the company. Such internally generated funds in these years met less than two thirds of the total needs. In subsequent years, with slow growth in capital spending and increases in internally generated funds, there was substantially less reliance on external financing which accounted for only about 20 per cent of needs in 1969 and 1970 and three per cent in 1971. In 1968, there was an actual decline in external liabilities on a net basis.

The principal sources of external funds for the surveyed companies have been from parents and affiliates in the United States and from banks in Canada. Important supplementary sources have been bond and debenture issues in both the United States and Canada and short-term loans, other than from banks, in Canada. The relative importance of these sources has varied greatly. The trend noted in earlier reports towards a lesser reliance on loans from Canadian sources has not continued into 1970 and 1971. In 1970 funds from affiliates in the United States

accounted for about the same proportion of requirements as funds from Canadian sources. In 1971, while there was little change in the net external liabilities of reporting companies, funds obtained from affiliates in the United States were used to reduce other liabilities and in particular liabilities to Canadian banks.

A change from earlier trends is also apparent in dividend payments by the responding companies. In 1965 and 1966 approximately one half of net profits were paid as dividends with about 90 per cent being paid abroad. In the following three years a substantially lower proportion of profits, 38 per cent in 1968 and 1969, were paid as dividends with about 15 per cent going to Canada compared with the earlier 10 per cent. In 1970 and 1971, dividend payments again represented about 50 per cent or more of earnings and in 1971 about 90 per cent of these payments went abroad.

The international transactions on merchandise account by the subsidiaries have normally resulted in a substantial trade surplus. The only exception was in 1965 when exports and imports were approximately in balance. This favourable balance grew from \$399 million in 1966 to reach a peak of \$952 million in 1970 and declined to \$792 million in 1971. A feature in this growing trade surplus in recent years has been the substantial contribution from trade with the United States. In the 1964 to 1966 period there was a deficit in trade with that country, but in every subsequent year to 1971 such trade resulted in a surplus. Trade with third countries resulted in a surplus in each year but in recent years this has decreased.

The surplus experienced by the surveyed companies on merchandise account has been more than offset by a deficit on non-merchandise account. The most significant contributions to this deficit have been the payments abroad of interest and dividends which in 1971 amounted to more than \$600 million. The estimated overall deficit of the companies on current account was less than \$100 million in 1970 and 1971. This is substantially less than the deficit incurred in most previous years to 1964.

The information in the annual returns of the participating subsidiaries can also be classified by the foreign country in which their parents are domiciled. The areas of ownership so classified are the United States, Britain and all other foreign countries. The participants in the survey are mainly the offspring of United States parents and as a result, the reporting corporations controlled in that country were responsible for by far the largest share of both the total income and the total expenditures of all the respondents throughout the period under review. Their operations expanded more between 1964 and 1971 than did those of either the participants controlled in Britain or those with parents in other foreign countries. The United States-owned subsidiaries accounted for about 87 per cent of both the total income and the total expenses in 1971, a moderate rise in relative terms from their 1964 share of about 82 per cent of the total income and expenditures

reported for that year. These gains were made at the expense of the other foreign-owned respondents, the share held by companies controlled in Britain declining from 10.2 to 7.7 per cent over the period in the case of revenues and from 10.7 to 7.9 per cent for expenditures; and the proportions accounted for by third countries falling from 6.8 per cent in the earlier year to 5.4 per cent in the final year in respect to income and from 6.9 to 5.2 per cent in regard to expenses.

The reporting corporations, regardless of the geographical area in which their parents were domiciled, found their major export market in the United States throughout the whole period. In 1971, the United States absorbed 83 per cent of the total exports of the respondents owned in that country, 53 per cent of the total foreign sales of Canadian subsidiaries with British parents and about 70 per cent of the exports of participants controlled in other foreign countries. The situation was quite different in respect to the source of imports; the United States-controlled companies did obtain the bulk of their imported goods from suppliers in that country but the respondents controlled in both Britain and in the other foreign countries group drew most of their merchandise imports from foreign countries other than the United States. In 1971, for example, while the companies with parents in the United States sourced some 92 per cent of their foreign purchases in that country, the British-controlled subsidiaries procured seven tenths of their imported needs from foreign countries other than the

United States and respondents with parents in other foreign countries relied upon external sources elsewhere than in the United States for some 86 per cent of their imported needs. Thus, the tendency of these respondents, noted in previous reports, to sell their products in the most accessible foreign market, the United States, and to source most of their foreign purchases in countries where controlled, continued throughout 1970 and 1971.

The reporting corporations controlled in the United States continued to depend heavily upon related companies in that country as customers for their sales to the United States and as suppliers of the goods purchased there. In 1971, 85 per cent of their exports to, and four fifths of their imports from the United States involved parents and affiliates in that country. The subsidiaries controlled in both Britain and other foreign countries also relied heavily upon associated companies abroad to supply their imported needs. Some 57 per cent of the 1971 imports of the British-owned respondents came from related foreign companies and associated firms accounted for 89 per cent of the imports of the companies with parents elsewhere than in the United States and Britain. On the other hand, these two latter groups of subsidiary companies found most of their foreign markets in non-related customers, 66 per cent of the exports of the British subsidiaries being made to non-affiliates in 1971, and 52 per cent of the foreign sales of the group with parents in third foreign countries being made to non-associated customers in that year.

SECTION 1. — INCOME, EXPENSES, EARNINGS AND DIVIDENDS

Income and Expenses, 1964 to 1971

Income:

The total income of the corporations covered by the survey amounted to \$28.8 billion in 1971, about \$3½ billion more than in 1970 and some 85 per cent above the level of 1964. Income rose each year in the 1964 to 1971 period, with the largest gain in both absolute and percentage terms being between 1970 and 1971, and the smallest increase taking place in both value and percentage

between 1969 and 1970. Operating sales continued to comprise the great bulk of the respondents' income, accounting for about 98 per cent of their total revenues in each year in the 1964 to 1971 period. The increase in operating sales over the period was 85 per cent, substantially higher than the 59 per cent gain shown in total Canadian manufacturers' shipments between 1964 and 1971.

Income from sales to foreign markets amounted to about \$7¼ billion in 1971 compared with \$2.8 billion in

SUMMARY TABLE 1. — Income and Expenses, All Reporting Corporations, Annually, 1964 to 1971

| In millions of dollars | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Item | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
| <i>Income:</i> | | | | | | | | |
| From operating sales | 15,210 | 16,974 | 19,084 | 20,819 | 22,718 | 24,458 | 24,727 | 28,142 |
| Other current receipts ⁽¹⁾ | 301 | 379 | 408 | 414 | 450 | 554 | 585 | 631 |
| Total Income | 15,511 | 17,353 | 19,492 | 21,233 | 23,168 | 25,012 | 25,312 | 28,773 |
| <i>Expenses:</i> | | | | | | | | |
| Merchandise purchases ⁽²⁾ | 8,740 | 10,008 | 11,685 | 12,585 | 13,503 | 14,799 | 15,012 | 16,936 |
| Other current expenses ⁽³⁾ | 5,287 | 5,922 | 6,547 | 7,332 | 7,929 | 8,484 | 8,920 | 9,614 |
| Total expenses | 14,027 | 15,930 | 18,232 | 19,917 | 21,432 | 23,283 | 23,932 | 26,550 |

(1) Comprises interest, dividends, rent, royalties, payments for scientific research, etc.

(2) Total merchandise purchases and imports throughout this publication include purchases of capital equipment items unless shown separately or otherwise stated.

(3) Covers salaries and wages, interest, rent, royalties, outlays on research, etc., and excludes dividends.

Note: Totals and sub-totals throughout this publication may not add or subtract exactly, due to rounding.

1964. The export sales of the respondents have increased each year in the 1964 to 1971 period in dollar terms but the proportion they comprise of total sales has fluctuated somewhat from year to year; exports accounted for 18.3 per cent of the 1964 sales total, declined slightly to 17.7 per cent in 1965, rose successively in each of the following five years to reach 26.2 per cent in 1970, then fell back to 25.8 per cent in 1971. However the exports of the respondents increased 160 per cent between 1964 and 1971 compared with the 116 per cent gain shown for all Canadian commodity exports over this period.

The transportation equipment and the gas and oil industries were the two major contributors to the increases shown in the sales and exports of the reporting corporations over the 1964 to 1971 period. The tremendous expansion in both the total sales and the exports of the automotive industry following the

concluding of the Canada-United States Automotive Agreement in 1965 is clearly reflected in the increases shown in the transportation equipment industry's figures: total sales rose from \$2.6 billion in 1964 to \$6.8 billion in 1971 while exports soared from \$375 million in the earlier year to \$3½ billion in the latter. The rapid growth of the operations of the respondents in the gas and oil industry is evident in the increases in their sales from \$2.8 billion in 1964 to \$5.2 billion in 1971 and in their exports from \$277 million to \$785 million over the period. All other industry groups had higher total sales in 1971 than seven years earlier with increases ranging from \$1.4 billion in the case of the other non-manufacturing class to \$310 million for the mining and primary metals category. Seven of the nine industry groups in addition to the transportation equipment and gas and oil classes had higher export sales in 1971 than in 1964 with the gains varying from \$242

million for the machinery and metal fabricating industry to \$39 million for both the chemical products and the other manufacturing groups. The two industry classes with a decrease in exports in 1971, compared to the beginning of the period, were food and beverage products, down \$26 million mainly because of decreased flour exports, and the other non-manufacturing category which showed a drop of \$5 million from the 1964 total.

Over the 1964 to 1971 period the proportions of the total sales of the reporting corporations going to foreign markets varied considerably, both among industry groups and among the same groups in different years. Throughout the whole period, however, the same industry groups ranked in the first four positions in respect to degree of dependence upon export sales; these were pulp and paper, transportation equipment, wholesale trade and mining and primary metals. The pulp and paper industry had the highest rate of dependence upon external markets of any industry group throughout the entire 1964 to 1971 period although the degree of that reliance tended to decline from the very high levels of 1964, 1965 and 1966, so that the proportion of its sales going to export markets was 51.7 per cent in 1971 versus 64.7 per cent seven years earlier. The wholesale trade industry, which includes respondents in the grain export business, showed the second highest depen-

dency upon external sales, in the first five years of the period but dropped to fourth place in both 1969 and 1970 and was up to third place in 1971 when 47.4 per cent of its sales went to customers outside Canada. The mining and primary metals group occupied third place in respect to the proportion of sales abroad in all years except 1971 with foreign sales accounting for between 48.1 per cent of its total sales in 1968, 43.7 per cent in 1969 and 47.2 per cent in 1971. The transportation equipment industry ranked fourth in the proportion of sales exported in the first five years of the 1964 to 1971 period but moved up to second place in 1969 and to first place in 1970 and 1971; the remarkable strides made by this industry under the impact of the automotive pact is evident in the increase in the proportion of output sent abroad, from 14.3 per cent in 1964 to 51.6 per cent in 1971 with a high of 55 per cent in 1970. It should be noted that while the respondents as a whole depended upon external markets for 25.8 per cent of their total sales in 1971 compared with only 18.3 per cent in 1964, four industry groups were responsible for all of this increase; the transportation equipment, machinery and metal fabricating, gas and oil and electrical products classifications, while the other seven groupings relied less upon foreign sales in 1971 than they had seven years earlier.

SUMMARY TABLE 2. — Total Sales, Export Sales, Proportions of Export Sales to Total Sales, Total Purchases, Purchases Made Abroad and Proportions of Purchases Made Abroad to Total Purchases, All Reporting Corporations, Annually, 1964 to 1971

| Item | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|--|--------|-----------------------|--------|--------|-----------------------|-----------------------|-----------------------|--------|
| <i>Values: In millions of dollars</i> | | | | | | | | |
| Total operating sales | 15,210 | 16,974 | 19,084 | 20,819 | 22,718 | 24,458 | 24,727 | 28,142 |
| Value of Canadian manu- facturers' shipments ⁽¹⁾ | 30,856 | 33,889 ^(R) | 37,303 | 38,955 | 41,997 ^(R) | 45,938 ^(R) | 45,992 | 49,183 |
| Export sales | 2,785 | 3,011 | 3,881 | 4,575 | 5,541 | 6,270 | 6,479 | 7,248 |
| Value of total Canadian exports ⁽²⁾ | 8,238 | 8,745 | 10,326 | 11,338 | 13,537 | 14,832 | 16,751 ^(R) | 17,830 |
| Total merchandise purchases . . . | 8,740 | 10,008 | 11,685 | 12,585 | 13,503 | 14,799 | 15,012 | 16,936 |
| Merchandise purchased abroad | 2,430 | 2,992 | 3,481 | 4,068 | 4,966 | 5,729 | 5,527 | 6,456 |
| Value of total Canadian imports ⁽²⁾ | 7,537 | 8,627 | 10,102 | 10,772 | 12,162 | 14,007 | 13,845 ^(R) | 15,527 |

SUMMARY TABLE 2 (Cont'd)

| Item | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|---|-----------------------|------|------|------|------|------|------|------|
| <i>Proportions:</i> | <i>In percentages</i> | | | | | | | |
| Total operating sales to value of Canadian manufacturers' shipments | 49.3 | 50.1 | 51.2 | 53.4 | 54.1 | 53.2 | 53.8 | 57.2 |
| Export sales to total operating sales | 18.3 | 17.7 | 20.3 | 22.0 | 24.4 | 25.6 | 26.2 | 25.8 |
| Export sales to total Canadian exports | 33.8 | 34.4 | 37.6 | 40.4 | 40.9 | 42.3 | 38.7 | 40.7 |
| Purchases abroad to total purchases | 27.8 | 29.9 | 29.8 | 32.3 | 36.8 | 38.7 | 36.8 | 38.1 |
| Purchases abroad to total Canadian imports | 32.2 | 34.7 | 34.5 | 37.8 | 40.8 | 40.9 | 39.9 | 41.6 |

(1) Data are from various publications of Statistics Canada, on *Inventories, Shipments and Orders in Manufacturing Industries*.

(2) Data are from *Quarterly Estimates of the Canadian Balance of International Payments, Fourth Quarter, 1971* and *Fourth Quarter, 1972*, Statistics Canada.

(R) Revised since the publication of *Foreign-Owned Subsidiaries in Canada, 1964-1969*.

SUMMARY TABLE 3. Total Sales and Export Sales, All Reporting Corporations, by Industry, Annually, 1964, 1967, 1969 and 1971

| Industry | In millions of dollars | | | | | | | |
|-------------------------------------|------------------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
| | Total sales | | | | Export sales | | | |
| | 1964 | 1967 | 1969 | 1971 | 1964 | 1967 | 1969 | 1971 |
| Mining and primary metals | 760 | 892 | 983 | 1,070 | 364 | 410 | 430 | 505 |
| Gas and oil | 2,813 | 3,562 | 4,113 | 5,157 | 277 | 399 | 569 | 785 |
| Machinery and metal fabricating.... | 1,111 | 1,504 | 1,694 | 2,074 | 99 | 175 | 232 | 341 |
| Transportation equipment | 2,615 | 4,643 | 6,226 | 6,807 | 375 | 1,748 | 3,138 | 3,513 |
| Electrical products | 962 | 1,314 | 1,482 | 1,595 | 90 | 161 | 174 | 180 |
| Chemical products | 1,120 | 1,377 | 1,600 | 1,732 | 109 | 99 | 152 | 148 |
| Food and beverage | 1,471 | 1,711 | 1,885 | 2,239 | 143 | 117 | 96 | 117 |
| Pulp and paper | 1,158 | 1,436 | 1,621 | 1,639 | 749 | 817 | 936 | 848 |
| Other manufacturing. | 980 | 1,321 | 1,535 | 1,632 | 79 | 92 | 124 | 118 |
| Wholesale trade | 868 | 1,032 | 1,051 | 1,442 | 485 | 543 | 405 | 683 |
| Other non-manufacturing | 1,352 | 2,027 | 2,268 | 2,755 | 15 | 14 | 14 | 10 |
| Total | 15,210 | 20,819 | 24,458 | 28,142 | 2,785 | 4,575 | 6,270 | 7,248 |

SUMMARY TABLE 4. — Exports as Proportions of Total Operating Sales and Purchases Abroad as Proportions of Total Purchases, All Reporting Corporations, by Industry, Annually, 1964 to 1971

In percentages

| Industry | Export sales as proportions of total sales | | | | | | | |
|---------------------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
| Mining and primary metals | 47.9 | 45.6 | 44.6 | 46.0 | 48.1 | 43.7 | 47.6 | 47.2 |
| Gas and oil | 9.8 | 9.5 | 10.3 | 11.2 | 13.1 | 13.8 | 14.5 | 15.2 |
| Machinery and metal fabricating . . . | 8.9 | 7.9 | 10.2 | 11.6 | 12.5 | 13.7 | 16.4 | 16.4 |
| Transportation equipment | 14.3 | 15.2 | 27.5 | 37.6 | 44.0 | 50.4 | 55.0 | 51.6 |
| Electrical products | 9.4 | 9.4 | 9.9 | 12.3 | 13.4 | 11.7 | 14.0 | 11.3 |
| Chemical products | 9.7 | 8.3 | 9.3 | 7.2 | 8.0 | 9.5 | 9.6 | 8.5 |
| Food and beverage | 9.7 | 8.9 | 8.3 | 6.8 | 5.3 | 5.1 | 5.3 | 5.2 |
| Pulp and paper | 64.7 | 63.4 | 61.8 | 56.7 | 57.1 | 57.7 | 55.7 | 51.7 |
| Other manufacturing | 8.1 | 7.9 | 7.6 | 7.0 | 7.4 | 8.1 | 7.4 | 7.2 |
| Wholesale trade | 55.9 | 55.4 | 58.9 | 52.6 | 49.5 | 38.5 | 45.5 | 47.4 |
| Other non-manufacturing | 1.1 | 1.0 | 0.5 | 0.7 | 1.0 | 0.6 | 0.4 | 0.4 |
| Total | 18.3 | 17.7 | 20.3 | 22.0 | 24.4 | 25.6 | 26.2 | 25.8 |

| Industry | Purchases abroad as proportions of total purchases | | | | | | | |
|-------------------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
| Mining and primary metals | 25.9 | 25.1 | 21.6 | 24.7 | 21.7 | 19.4 | 19.7 | 20.2 |
| Gas and oil | 25.1 | 24.9 | 23.3 | 22.9 | 24.5 | 25.5 | 24.4 | 24.0 |
| Machinery and metal fabricating . . | 38.8 | 39.8 | 43.6 | 45.3 | 45.9 | 47.9 | 45.1 | 49.5 |
| Transportation equipment | 43.9 | 52.0 | 54.5 | 61.7 | 70.0 | 72.9 | 75.0 | 76.9 |
| Electrical products | 29.8 | 30.3 | 30.8 | 29.5 | 32.5 | 32.1 | 33.2 | 34.4 |
| Chemical products | 32.9 | 31.3 | 27.9 | 28.3 | 30.4 | 31.3 | 31.0 | 29.9 |
| Food and beverage | 24.1 | 21.7 | 19.5 | 19.7 | 19.4 | 19.5 | 18.5 | 17.7 |
| Pulp and paper | 7.6 | 7.5 | 6.6 | 5.7 | 7.0 | 8.3 | 7.9 | 8.5 |
| Other manufacturing | 32.0 | 33.6 | 29.5 | 31.3 | 33.8 | 31.6 | 30.0 | 32.3 |
| Wholesale trade | 25.7 | 27.0 | 23.4 | 23.9 | 24.5 | 28.1 | 23.3 | 22.8 |
| Other non-manufacturing | 5.0 | 6.1 | 5.8 | 4.3 | 4.5 | 5.9 | 4.3 | 3.9 |
| Total | 27.8 | 29.9 | 29.8 | 32.3 | 36.8 | 38.7 | 36.8 | 38.1 |

Note: The value figures upon which the percentages above are based are shown for 1964, 1967, 1969 and 1971 in Summary Tables 3 and 6, for 1970 in Summary Table 13 and for 1965, 1966 and 1968 in Appendix VIII.

The income of the reporting corporations from sources other than operating sales totalled \$631 million in 1971, more than twice as much as the \$301 million shown for 1964. While this is a considerably larger percentage increase than the rise in income from operating sales over this period, it still amounts to only about two per cent of the

total income of the respondents. The major items in this other income total in 1971 are as follows: interest, \$128 million; rents derived from letting property and equipment, \$114 million; dividends received by the respondents, \$85 million; earnings for research and development work carried out by the reporting corporations, \$22 million.

SUMMARY TABLE 5. Income Other Than From Operating Sales, All Reporting Corporations, by Major Item, Annually, 1964, 1967, 1969 and 1971

| Item | Value In millions of dollars | | | | Percentage distribution | | | |
|--|---------------------------------|------------|------------|------------|-------------------------|--------------|--------------|--------------|
| | 1964 | 1967 | 1969 | 1971 | 1964 | 1967 | 1969 | 1971 |
| Interest received | 59 | 98 | 122 | 128 | 19.6 | 23.7 | 22.0 | 20.3 |
| Rent from property and equipment . . . | 46 | 71 | 96 | 114 | 15.3 | 17.1 | 17.3 | 18.1 |
| Dividends received | 53 | 55 | 82 | 85 | 17.6 | 13.3 | 14.8 | 13.5 |
| Payments for research and development | 16 | 28 | 26 | 22 | 5.3 | 6.8 | 4.7 | 3.5 |
| All other receipts | 127 | 162 | 228 | 282 | 42.2 | 39.1 | 41.2 | 44.7 |
| Total | 301 | 414 | 554 | 631 | 100.0 | 100.0 | 100.0 | 100.0 |

Expenses:

The total expenses of the foreign-owned subsidiaries participating in the survey amounted to \$26.6 billion in 1971, \$12½ billion or 89 per cent more than in 1964. Outlays for merchandise including capital equipment items amounted to \$16.9 billion in 1971 or 63.8 per cent of total expenses; this is proportionate with that of the other years in the 1964 to 1971 period which ranged from a low of 62.3 per cent in 1964 to a high of 64.1 per cent in 1966.

While the respondents' purchases abroad as a proportion of their total purchases has fluctuated somewhat in the 1964 to 1971 period, the general trend has been upward. Thus, over this period the respondents have obtained from abroad between 27.8 per cent (in 1964) and 38.7 per cent

(in 1969) of their total purchases with the 1971 figure being 38.1 per cent, the second highest proportion in the period.

The merchandise imports of the respondents have increased from \$2.4 billion in 1964 to almost \$6½ billion in 1971 or by about 166 per cent, a considerably more rapid rate of increase than that shown by total Canadian commodity imports over this period, 106 per cent.

Each of the 11 industry classifications used in the report had both higher total purchases and purchases abroad in 1971 than in 1964 but three industry classes accounted for almost seven tenths of the rise in total purchases while one was responsible for close to three

SUMMARY TABLE 6. - Total Purchases and Purchases Abroad, All Reporting Corporations, by Industry, Annually, 1964, 1967, 1969 and 1971

| Industry | In millions of dollars | | | | | | | |
|---|------------------------|---------------|---------------|---------------|------------------|--------------|--------------|--------------|
| | Total purchases | | | | Purchases abroad | | | |
| | 1964 | 1967 | 1969 | 1971 | 1964 | 1967 | 1969 | 1971 |
| Mining and primary metals | 301 | 384 | 408 | 456 | 78 | 95 | 79 | 92 |
| Gas and oil | 1,516 | 2,045 | 2,423 | 3,026 | 380 | 468 | 617 | 728 |
| Machinery and metal fabricating | 631 | 848 | 878 | 1,044 | 245 | 384 | 421 | 517 |
| Transportation equipment | 1,629 | 3,184 | 4,433 | 4,777 | 715 | 1,966 | 3,232 | 3,674 |
| Electrical products | 514 | 750 | 848 | 861 | 153 | 221 | 272 | 296 |
| Chemical products | 575 | 752 | 820 | 872 | 189 | 213 | 257 | 261 |
| Food and beverage | 921 | 1,064 | 1,075 | 1,274 | 222 | 210 | 210 | 225 |
| Pulp and paper | 473 | 663 | 719 | 753 | 36 | 38 | 60 | 64 |
| Other manufacturing | 519 | 665 | 746 | 759 | 166 | 208 | 236 | 245 |
| Wholesale trade | 787 | 867 | 897 | 1,231 | 202 | 207 | 252 | 281 |
| Other non-manufacturing | 874 | 1,363 | 1,552 | 1,882 | 44 | 58 | 92 | 73 |
| Total | 8,740 | 12,585 | 14,799 | 16,936 | 2,430 | 4,068 | 5,729 | 6,456 |

quarters of the total increase in foreign purchases. The major contributors to the advance in total purchases over the period were the transportation equipment industry, up some \$3.1 billion, the gas and oil industry, up \$1½ billion, and the other non-manufacturing group of industries, up just over \$1 billion; while the transportation equipment industry was chiefly responsible for the gain in imports with an increase of almost \$3 billion in its purchases abroad. The Canada-United States Automotive Agreement of 1965 was the major factor in the increased total purchases and imports of the transportation equipment industry between 1964 and 1971, while the rapid development of Canada's gas and oil resources during this period accounted for the sharp rise in the purchases of that industry. The much higher purchases of the other non-manufacturing group of industries in 1971 compared with 1964 was due largely to the expanded buying of three respondents in retail trade and to one in both the construction and transportation sectors.

Other industry groups reporting substantially higher total purchases in 1971 than in 1964 include the wholesale trade, the machinery and metal fabricating, the food and beverage and the electrical products classifications, with gains ranging from \$347 million to \$444 million. Three groups, in addition to the transportation equipment class, had imports in 1971 which exceeded those of 1964 by more than \$100 million; these were the gas and oil, the machinery and metal fabricating and the electrical products industrial classifications, with gains of \$348 million, \$272 million and \$143 million, respectively. The 1971 imports of the remaining seven industry groups exceeded their 1964 foreign purchases by amounts ranging from \$79 million in the cases of both the wholesale trade and the other non-manufacturing categories, down to \$3 million for the food and beverage group.

In regard to the extent of dependence upon foreign sources for their purchases, six industry groups relied proportionally less upon external suppliers in 1971 than in 1964, four classes depended upon foreign sources for a higher percentage of their total purchases at the end of the period than at its beginning and one showed little change in this respect. In 1971 the food and beverage industry obtained only 17.7 per cent of its purchases abroad compared with 24.1 per cent in 1964; the mining and primary metals class relied upon foreign suppliers for only

20.2 per cent of its purchases versus 25.9 per cent in 1964; the chemical products group imported only 29.9 per cent of its needs compared with 32.9 per cent in the earlier year; the wholesale trade depended upon foreign sources for only 22.8 per cent of its purchases as against 25.7 per cent in 1964; and the other non-manufacturing group of industries procured only 3.9 per cent of its purchases abroad at the end of the period compared with 5 per cent at its commencement. The industries which obtained higher proportions of their purchases abroad in 1971 than in 1964 were machinery and metal fabricating, 49½ per cent versus 38.8 per cent; transportation equipment, 76.9 per cent compared with 43.9 per cent; electrical products, 34.4 per cent as against 29.8 per cent; and pulp and paper, up to 8½ per cent in 1971 from 7.6 per cent in 1964. The other manufacturing classification imported just slightly more of its requirements in 1971 than in 1964, 32.3 per cent versus 32 per cent.

As in the case of exports, the substantial increase in the purchases of the transportation industry significantly affected the proportions of total purchases obtained abroad. If the total purchases and the purchases abroad of the transportation equipment industry are excluded, the purchases of the remaining ten industrial classes amounted to \$12.2 billion in 1971 and \$7.1 billion in 1964; their purchases abroad totalled only \$2.8 billion versus \$1.7 billion at the period's beginning; and the proportion of their imports to their total purchases was 22.9 per cent in 1971 compared with 24.1 per cent in 1964. These proportions compare with the 38.1 per cent and the 27.8 per cent shown for all the eleven industries in 1971 and 1964.

The current expenses of the reporting corporations for purposes other than the purchase of merchandise amounted to \$9.6 billion in 1971, \$4.3 billion, or some four fifths more than in 1964. This type of expenditure has increased somewhat less than the outlay for merchandise over this period, i.e., about 82 per cent compared with the rise of 94 per cent shown for merchandise purchases. This item is much more important in total current expenses than is the 'other income' item in total current income mainly because it includes salaries and wages and averaged about 37 per cent of total expenses over the 1964 to 1971 period compared with the two per cent shown for 'other income' as a proportion of total income.

SUMMARY TABLE 7. — Expenses Other Than for Purchase of Merchandise, All Reporting Corporations, by Major Item, Annually, 1964, 1967, 1969 and 1971

| Item | Value In millions of dollars | | | | Percentage distribution | | | |
|---|---------------------------------|--------------|--------------|--------------|-------------------------|--------------|--------------|--------------|
| | 1964 | 1967 | 1969 | 1971 | 1964 | 1967 | 1969 | 1971 |
| Salaries and wages | 2,570 | 3,562 | 4,153 | 4,675 | 48.6 | 48.6 | 49.0 | 48.6 |
| Interest | 113 | 214 | 274 | 267 | 2.1 | 2.9 | 3.2 | 2.8 |
| Rent on property and equipment | 131 | 182 | 223 | 290 | 2.5 | 2.5 | 2.6 | 3.0 |
| Charges for research and development . | 98 | 120 | 106 | 134 | 1.9 | 1.6 | 1.2 | 1.4 |
| Royalties paid | 65 | 87 | 114 | 126 | 1.2 | 1.2 | 1.3 | 1.3 |
| Managerial and administrative charges, including directors' fees | 43 | 57 | 60 | 73 | 0.8 | 0.8 | 0.7 | 0.8 |
| All other expenses | 2,267 | 3,110 | 3,554 | 4,048 | 42.9 | 42.4 | 41.9 | 42.1 |
| Total | 5,287 | 7,332 | 8,484 | 9,614 | 100.0 | 100.0 | 100.0 | 100.0 |

Earnings and Their Disposition

The respondents reported a total profit of \$3.2 billion in 1971, the largest in the entire 1964 to 1971 period and more than half again as much as in 1964. The disposition of total profits in 1971 was \$842 million or 26.2 per cent of the aggregate to income taxes, \$1.2 billion or 36.3 per cent to reserves for depreciation and similar purposes and the remaining \$1.2 billion or 37½ per cent representing net profit. The proportions of total profits going into these three categories has varied during the 1964 to 1971 period: in the case of income taxes, from a low of 25 per cent in 1970 to a high of 28.1 per cent in 1964; for depreciation and similar purposes, from a low of 33.7 per cent in 1964 to a high of 42.8 per cent in 1970; and for net profit, from a low of 32.2 per cent in 1970 to a peak of 38.2 per cent in 1964.

The highest net profit of the reporting corporations amounted to \$1.2 billion also in 1971. This compared with \$808 million in 1964 and \$834 million in 1970, the two smallest in the 1964 to 1971 period. In 1971, \$607 million or 50.3 per cent of the year's net profit was paid out in dividends and the remaining \$599 million or 49.7 per cent was kept in the business as retained earnings. The distribution of net profits into dividends and retained

earnings has varied significantly over the period, the proportion paid out as dividends ranging between 52½ per cent in 1970 and 37.6 per cent in 1969 and that part retained in the business conversely ranged between 64.3 per cent in 1969 and 47½ per cent in 1970.

Since the respondents are all subsidiaries of foreign parents, the great bulk of their dividends go to their principals in foreign lands, mainly the United States. Thus, in 1971, \$542 million or 89.3 per cent of the dividends paid by the reporting companies went abroad, with \$497 million or 81.9 per cent of the total going to investors in the United States. These proportions have fluctuated within fairly narrow limits in the 1964 to 1971 period, the proportions of total dividends paid going out of Canada showing a low of 85.4 per cent in 1967 and peaking at 90.6 per cent in 1964, while the part paid to investors in the United States ranged from 74.2 per cent in 1967 to 81.9 per cent in 1971. The dividends-paid-abroad totals are gross and do not allow for the Canadian withholding tax so they may be as much as 15 per cent higher than the actual outflows received by investors abroad. As a result, the income taxes paid by the reporting corporations are understated by the amount of the withholding taxes paid on dividends going abroad.

SUMMARY TABLE 8. — Total Profits, Provisions for Income Taxes and for Depreciation and Similar Purposes, Dividends Declared and Retained Earnings, All Reporting Corporations, Annually, 1964, 1967, 1969 and 1971

| Item | 1964 | 1967 | 1969 | 1971 |
|---|-------------------------------|--------|--------|--------|
| <i>Value</i> | <i>In millions of dollars</i> | | | |
| <i>—Total profits</i> | | | | |
| Total income..... | 15,511 | 21,233 | 25,012 | 28,773 |
| Total expenses ⁽¹⁾ | 13,399 | 18,799 | 22,197 | 25,559 |
| Total profits | 2,112 | 2,434 | 2,815 | 3,214 |
| <i>—Net profits</i> | | | | |
| Total profits | 2,112 | 2,434 | 2,815 | 3,214 |
| Less provision for | | | | |
| Income taxes | —593 | —638 | —775 | —842 |
| Depreciation, etc. | —711 | —906 | —981 | —1,166 |
| Net profits | 808 | 890 | 1,059 | 1,206 |
| —Dividends declared | 385 | 376 | 398 | 607 |
| —Retained earnings | 423 | 514 | 661 | 599 |
| Net profits | 808 | 890 | 1,059 | 1,206 |
| <i>Proportions:</i> | <i>In percentages</i> | | | |
| <i>Of total profits</i> | | | | |
| —Provisions for income taxes | 28.1 | 26.2 | 27.5 | 26.2 |
| —Provisions for depreciation, etc. | 33.7 | 37.2 | 34.9 | 36.3 |
| —Net profit total. | 38.2 | 36.6 | 37.6 | 37.5 |
| Of which, dividends comprised | 18.2 | 15.5 | 14.1 | 18.9 |
| Of which, retained earnings | 20.0 | 21.1 | 23.5 | 18.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |
| <i>Of net profits</i> | | | | |
| —Dividends declared | 47.6 | 42.2 | 37.6 | 50.3 |
| —Retained earnings | 52.4 | 57.8 | 62.4 | 49.7 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

(1)Excludes purchases of capital equipment items.

Dividends Declared and Net Profits:

The amounts paid out in the form of dividends by the reporting corporations during the 1964 to 1971 period ranged from a low of \$376 million in 1967 to a peak of \$607 million in 1971 and net profits varied from \$808 million in 1964 to \$1.2 billion in 1971. However, except for the year 1971 when both net profits and dividends paid were the highest in the period, there appeared to be little relationship between the yearly levels of profits earned and dividends paid out. To illustrate this, the years that show the second and third highest net profits in the period, 1968

and 1969, with earnings around \$1 billion, had the seventh and fifth lowest dividend pay-outs, \$384 million and \$398 million, respectively. This apparent lack of inter-relationship is also evident in the fluctuations in the proportions of net profits paid out as dividends from year to year: 47.6 per cent in 1964, 50.3 per cent in 1965, 50.4 per cent in 1966, 42.2 per cent in 1967, 37.8 per cent in 1968, 37.6 per cent in 1969, 52½ per cent in 1970 and 50.3 per cent in 1971. In dollar terms, dividends paid abroad rose steadily from 1964 to 1966, fell off quite significantly in 1967, recovered somewhat in 1968 and rose successively in each of the

following three years. Dividends paid to residents of Canada, while still quite small, have generally followed a rising trend reaching a peak of \$66 million in 1970 and levelling off at \$65 million in 1971.

A detailed examination of the individual returns of the respondents suggests that there are major basic differences in the dividend policies pursued by the participating companies, and possibly, by whole industries as well. A few of the reporting corporations did not pay any dividends at all in the entire period; others paid dividends of varying sizes in some years but not in others; a sizable number paid dividends every year, and a small number of companies and industry groups paid more out in some years in dividends than they earned as net profits. Most of these differences

are related not only to specific long-term policies of the respondents but also to the circumstances at the time and reflect the changing needs of the subsidiaries or their parents for funds for capital expansion, debt repayment or other purposes.

Summary Table 10 shows the proportions of dividends paid to net profits for each of the 11 industry groups used in this study for each year in the 1964 to 1971 period. These show clearly how much greater the variations – both between the different groups and between the same groups in different years – are than indicated by the percentages for their aggregates. This is because of the tendency of the swings in opposite directions to offset or counterbalance one another to a considerable extent. For example, in 1971

SUMMARY TABLE 9. Dividends Declared by Geographical Area, All Reporting Corporations, Annually, 1964 to 1971

| Dividends declared | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|---|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| <i>Amounts to residents of:</i> | | | | | | | | |
| | <i>In millions of dollars</i> | | | | | | | |
| United States | 307 | 336 | 367 | 279 | 291 | 299 | 332 | 497 |
| Other foreign countries | 42 | 45 | 46 | 42 | 41 | 39 | 41 | 45 |
| All foreign countries | 349 | 381 | 413 | 321 | 332 | 338 | 373 | 542 |
| Canada | 36 | 44 | 46 | 55 | 52 | 60 | 66 | 65 |
| All countries | 385 | 425 | 459 | 376 | 384 | 398 | 438 | 607 |
| <i>Proportions of totals to residents of:</i> | | | | | | | | |
| | <i>In percentages</i> | | | | | | | |
| United States | 79.7 | 79.0 | 80.0 | 74.2 | 75.8 | 75.1 | 75.8 | 81.9 |
| Other foreign countries | 10.9 | 10.6 | 10.0 | 11.2 | 10.7 | 9.8 | 9.4 | 7.4 |
| All foreign countries | 90.6 | 89.6 | 90.0 | 85.4 | 86.5 | 84.9 | 85.2 | 89.3 |
| Canada | 9.4 | 10.4 | 10.0 | 14.6 | 13.5 | 15.1 | 15.1 | 10.7 |
| All countries | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

the proportion of dividends paid to net profits for the 11 industries taken together was 50.3 per cent; but in that same year the dividends paid by the pulp and paper industry group were equivalent to 22 times the net profit realized while dividends of the mining and primary metals group represented less than one fifth of that year's net earnings; and the proportion for the other nine groups ranged between 58½ per cent in the gas and oil industry to 32.8 per cent for the other manufacturing group. While the differences in the proportions of dividends to net profits

shown by individual industry groups were less marked in the other years in the 1964 to 1971 period, for 1970 two groups showed dividends paid in excess of the year's net profits, and in 1964, 1965 and 1966 one group paid out more in dividends than it earned as net profits. The variations in the proportions devoted to dividend payments were much smaller in the other three years in the period, ranging from 18.6 per cent to 73 per cent in 1967, from 12 per cent to 64.6 per cent in 1968 and from 9.3 per cent to 55.8 per cent in 1969.

Throughout the 1964 to 1971 period, the proportions of dividends paid to net profits earned varied substantially for individual industry groups. The largest fluctuations were in pulp and paper, other manufacturing, transportation equipment and chemical products divisions, while the smallest changes were in gas and oil, other non-manufacturing and electrical products classifications. The dividends paid by the pulp and paper industry varied from the equivalent of about one fifth of its net profits in 1969 to 100 per cent of them in 1970 and to 22 times the very low net profits of 1971; the dividends paid by the other manufacturing group of industries represented only 31 per cent of net profits in 1969 but equalled more than three times net earnings in 1970; and in the transportation equipment industry, dividends as a proportion of net profits ranged from nine per cent in 1969 to 141 per cent in 1964. The only other industry grouping in which dividends paid exceeded the year's net profits was chemical products with the 1964 dividends being equivalent to 143

per cent of that year's net earnings; throughout the 1964 to 1971 period this industry consistently apportioned more than one-half each year's net earnings to dividends, the proportions thus assigned in the years other than 1964 ranging from 51.4 per cent in 1970 to 73 per cent in 1967. The gas and oil industry has also consistently devoted a substantial part of each year's net profits to dividend payments, allocating between 41 per cent and 59 per cent of net earnings to this purpose throughout the entire period. The variations in the share of net profits devoted to dividends were not as great in other industry groups, fluctuating between 29 and 58 per cent for the electrical products branch, between 20 and 58 per cent for the machinery and metal fabricating division, between 18 and 45 per cent for the other non-manufacturing group, between 19 and 58 per cent for the wholesale trade class and between 21 and 63 per cent for respondents in the food and beverage manufacturing business.

SUMMARY TABLE 10. – Dividends Declared as Proportions of Net Profits, All Reporting Corporations, by Industry, Annually, 1964 to 1971

| In percentages | | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Industry | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
| Mining and primary metals | 33.3 | 31.2 | 23.3 | 43.5 | 39.0 | 43.0 | 52.8 | 18.0 |
| Gas and oil | 47.1 | 43.5 | 44.6 | 45.6 | 43.1 | 55.0 | 41.4 | 58.5 |
| Machinery and metal fabricating | 52.6 | 48.4 | 58.5 | 20.3 | 37.9 | 47.7 | 35.5 | 44.1 |
| Transportation equipment | 20.2 | 71.9 | 114.9 | 18.6 | 12.0 | 9.3 | 141.3 | 39.0 |
| Electrical products | 29.0 | 42.5 | 35.4 | 50.0 | 45.2 | 53.7 | 58.1 | 39.6 |
| Chemical products | 143.3 | 60.3 | 56.2 | 73.0 | 59.2 | 55.8 | 51.4 | 55.2 |
| Food and beverage | 47.2 | 46.2 | 57.1 | 63.5 | 40.0 | 21.5 | 38.2 | 54.3 |
| Pulp and paper | 29.7 | 60.2 | 46.2 | 69.6 | 32.1 | 21.8 | 100.0 | 2,200.0 |
| Other manufacturing | 43.8 | 110.7 | 43.1 | 43.1 | 64.6 | 31.0 | 312.5 | 32.8 |
| Wholesale trade | 56.2 | 50.0 | 29.4 | 18.8 | 58.3 | 50.0 | 57.1 | 33.3 |
| Other non-manufacturing | 45.5 | 26.9 | 25.8 | 19.0 | 17.9 | 20.0 | 24.2 | 36.3 |
| Total | 47.6 | 50.3 | 50.4 | 42.2 | 37.8 | 37.6 | 52.5 | 50.3 |

TABLE 1. — Dividends Declared and Net Profits Earned, All Reporting Corporations, by Industry, Annually, 1964 to 1971

In millions of dollars

| Industry | 1964 | | 1965 | | 1966 | | 1967 | | 1968 | | 1969 | | 1970 | | 1971 | |
|---------------------------------------|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|
| | Divi- dends declared | Net profits | Divi- dends declared | Net profits | Divi- dends declared | Net profits | Divi- dends declared | Net profits | Divi- dends declared | Net profits | Divi- dends declared | Net profits | Divi- dends declared | Net profits | Divi- dends declared | Net profits |
| Mining and primary metals | 31 | 93 | 29 | 93 | 21 | 90 | 30 | 69 | 32 | 82 | 31 | 72 | 37 | 70 | 13 | 72 |
| Gas and oil | 96 | 204 | 107 | 246 | 120 | 269 | 131 | 287 | 141 | 327 | 170 | 309 | 144 | 348 | 264 | 451 |
| Machinery and metal fabricating | 30 | 57 | 30 | 62 | 38 | 65 | 14 | 69 | 25 | 66 | 42 | 88 | 27 | 76 | 45 | 102 |
| Transportation equipment | 21 | 104 | 69 | 96 | 108 | 94 | 21 | 113 | 20 | 166 | 16 | 172 | 65 | 46 | 78 | 200 |
| Electrical products | 9 | 31 | 17 | 40 | 17 | 48 | 22 | 44 | 19 | 42 | 22 | 41 | 18 | 31 | 19 | 48 |
| Chemical products | 96 | 67 | 44 | 73 | 41 | 73 | 46 | 63 | 45 | 76 | 43 | 77 | 37 | 72 | 37 | 67 |
| Food and beverage | 25 | 53 | 24 | 52 | 32 | 56 | 33 | 52 | 24 | 60 | 14 | 65 | 29 | 76 | 44 | 81 |
| Pulp and paper | 27 | 91 | 50 | 83 | 36 | 78 | 39 | 56 | 17 | 53 | 19 | 87 | 38 | 38 | 44 | 2 |
| Other manufacturing | 21 | 48 | 31 | 28 | 25 | 58 | 25 | 58 | 42 | 65 | 22 | 71 | 25 | 8 | 22 | 67 |
| Wholesale trade | 9 | 16 | 10 | 20 | 5 | 17 | 3 | 16 | 7 | 12 | 6 | 12 | 4 | 7 | 9 | 27 |
| Other non-manufacturing | 20 | 44 | 14 | 52 | 16 | 62 | 12 | 63 | 12 | 67 | 13 | 65 | 15 | 62 | 33 | 91 |
| Total | 385 | 808 | 425 | 845 | 459 | 910 | 376 | 890 | 384 | 1,016 | 398 | 1,059 | 438 | 834 | 607 | 1,206 |

SECTION 2. — CURRENT INTERNATIONAL TRANSACTIONS

The respondents' international transactions in goods and services are an important factor in Canada's overall balance of international payments on current account because the reporting corporations not only include many of the largest manufacturing and resources processing enterprises operating in Canada plus some of the most important firms in the wholesale and retail trade, but most of these are multinational corporations with widespread foreign interests. Of course, a number of foreign-owned subsidiaries were established in Canada for the purpose of supplying the parent and sometimes other foreign affiliates as well, with raw materials and/or supplies, while others were set up to serve the domestic and/or export markets with finished items produced from components and parts provided by the home plant. Another source of this in-and-out-flow of merchandise and services is the rationalization and specialization of production present in the operations of larger companies, with their plants in different countries producing different products that are stocked, distributed and serviced by all the units in the organization. This rationalization and specialization results in economy through larger production runs, the development of higher skills and all members of the corporation being able to offer a fuller line of products and services. There is also an important interchange of various services between the Canadian subsidiary and the parent and sister organizations abroad, such as the interest and dividends on the capital invested, fees for management services, royalties and licensing payments and receipts, rent, fees for research and development work.

It should be noted that the data given and discussed in this section on current international transactions are subject to certain limitations and qualifications. The figures on merchandise exports cover only the goods actually shipped abroad by the respondents in most cases, and do not include goods sold to Canadians and subsequently exported by them. Similarly, the imported merchandise and capital equipment totals comprise only the purchases made abroad by the reporting corporations and exclude goods of these types obtained from Canadian suppliers who had imported them previously. This is the main reason the purchased-in-Canada totals are so much higher than the purchased-abroad figures in the case of capital equipment items, despite Canada's heavy dependence upon foreign sources for producers' machinery and equipment. In most cases also, the imported goods totals include customs duties, sales taxes and the transportation costs incurred within Canada. There is a minor qualification in the payments abroad figures for certain services; these are the amounts due non-residents with no allowance for withholding taxes made. Thus, these gross figures may overstate the amounts actually sent out of Canada.

Merchandise Exports and Imports:

The reporting corporations exported goods valued at almost \$7¼ billion in 1971, more than two and one half times the 1964 total and close to three fifths more than the 1967 level. The United States market absorbed more than three fifths of the total exports of the respondents in each year in the entire 1964 to 1971 period, with the proportion going there increasing from just over three fifths in 1964 to about three quarters in 1967 and to over four fifths in 1971. In dollar terms, exports to the United States rose each year in the period, advancing from about \$1.7 billion in 1964 to \$3½ billion in 1967 and reaching a peak of \$5.9 billion in 1971. Sales to other foreign countries show an erratic trend but were within the range of \$1.1 billion to \$1¾ billion throughout the period.

The merchandise imports of the companies participating in the survey rose each year in the period, from \$2.4 billion in 1964 to \$6½ billion in 1971. The United States was by far the major source of these imports, supplying between about 73 per cent and just over 84 per cent of the total in the period. Purchases in other foreign countries did rise each year in the period also, from \$659 million in 1964 to just over \$1 billion in 1971 but not as much as did imports from the United States which increased from \$1.8 billion to \$5.4 billion, so that the proportions accounted for by purchases in foreign countries other than the United States declined proportionally from 27 per cent of the total in 1964 to about 16 per cent of that of 1971.

As has been mentioned earlier, both the merchandise exports and the merchandise imports of the respondents rose more rapidly during the 1964 to 1971 period than did total Canadian merchandise exports and imports. Reference was also made to the large part played by the transportation equipment industry in these achievements, particularly by extensive increases in the two-way trade in automotive goods following the implementation of the Canada-United States Automotive Agreement of 1965.

The international merchandise trade of the reporting corporations resulted in a favourable balance each year in the period, the amount by which merchandise exports exceeded imports varying from \$20 million in 1965 to \$952 million in 1970 and aggregating over \$4 billion for the period as a whole. The turnabout in the balance on merchandise trade with the United States contributed substantially to this betterment in Canada's international balance of payments on current account from deficits ranging between \$90 million and \$413 million in the first three years of the period to surpluses varying between \$141 million and \$556 million in the latter five years.

A significant development in the international merchandise trade of the reporting corporations during the 1964 to 1971 period was the increased reliance of the respondents on related companies abroad both as customers for their exports and suppliers of their imported needs. Exports to parents and affiliates rose each year in

the period while imports from associated firms increased each year up to and including 1969, declined moderately in 1970 and recovered to a new dollar peak in 1971. Sales to associated companies abroad amounted to \$5.2 billion in 1971 compared with \$1.3 billion in 1964 and comprised 72 per cent of the respondents' total foreign sales at the end of

SUMMARY TABLE 11. — Merchandise Trade Between Canada and the United States, Between Canada and All Other Foreign Countries and Between Canada and All Foreign Countries, All Reporting Corporations, Annually, 1964 to 1971

| Year and geographical area | Amount in millions of dollars | | | Proportion in percentages | | |
|-------------------------------|-------------------------------|----------------------------|------------------------------|---------------------------|----------------------------|------------------------------|
| | Export sales | Imports of merchandise (1) | Balance on merchandise trade | Export sales | Imports of merchandise (1) | Balance on merchandise trade |
| 1964 | | | | | | |
| United States | 1,681 | 1,771 | -90 | 60.4 | 72.9 | n/a |
| Other foreign countries | 1,104 | 659 | 445 | 39.6 | 27.1 | n/a |
| All foreign countries | 2,785 | 2,430 | 355 | 100.0 | 100.0 | n/a |
| 1965 | | | | | | |
| United States | 1,898 | 2,311 | -413 | 63.0 | 77.2 | n/a |
| Other foreign countries | 1,114 | 681 | 433 | 37.0 | 22.8 | n/a |
| All foreign countries | 3,011 | 2,992 | 20 | 100.0 | 100.0 | n/a |
| 1966 | | | | | | |
| United States | 2,718 | 2,778 | -60 | 70.0 | 79.8 | n/a |
| Other foreign countries | 1,163 | 704 | 459 | 30.0 | 20.2 | n/a |
| All foreign countries | 3,881 | 3,481 | 399 | 100.0 | 100.0 | n/a |
| 1967 | | | | | | |
| United States | 3,477 | 3,307 | 170 | 76.0 | 81.3 | 33.5 |
| Other foreign countries | 1,098 | 761 | 337 | 24.0 | 18.7 | 66.5 |
| All foreign countries | 4,575 | 4,068 | 507 | 100.0 | 100.0 | 100.0 |
| 1968 | | | | | | |
| United States | 4,294 | 4,152 | 141 | 77.5 | 83.6 | 24.6 |
| Other foreign countries | 1,247 | 814 | 433 | 22.5 | 16.4 | 75.4 |
| All foreign countries | 5,541 | 4,966 | 574 | 100.0 | 100.0 | 100.0 |
| 1969 | | | | | | |
| United States | 5,115 | 4,819 | 296 | 81.6 | 84.1 | 54.7 |
| Other foreign countries | 1,155 | 910 | 245 | 18.4 | 15.9 | 45.3 |
| All foreign countries .. | 6,270 | 5,729 | 541 | 100.0 | 100.0 | 100.0 |

SUMMARY TABLE 11 (cont'd)

| Year and geographical area | Amount in millions of dollars | | | Proportion in percentages | | |
|-------------------------------|-------------------------------|----------------------------|------------------------------|---------------------------|----------------------------|------------------------------|
| | Export sales | Imports of merchandise (1) | Balance on merchandise trade | Export sales | Imports of merchandise (1) | Balance on merchandise trade |
| 1970 | | | | | | |
| United States | 5,132 | 4,576 | 556 | 79.2 | 82.8 | 58.4 |
| Other foreign countries | 1,346 | 951 | 396 | 20.8 | 17.2 | 41.6 |
| All foreign countries | 6,479 | 5,527 | 952 | 100.0 | 100.0 | 100.0 |
| 1971 | | | | | | |
| United States | 5,873 | 5,434 | 439 | 81.0 | 84.2 | 55.4 |
| Other foreign countries | 1,375 | 1,022 | 353 | 19.0 | 15.8 | 44.6 |
| All foreign countries | 7,248 | 6,456 | 792 | 100.0 | 100.0 | 100.0 |

(1) Total merchandise purchases and imports throughout this publication include purchases of capital equipment items unless shown separately or otherwise stated.

Note: Totals and sub-totals throughout this publication may not add or subtract exactly, due to rounding.

the period compared with 48 per cent at its beginning. Purchases from foreign affiliates advanced from \$1.6 billion in 1964 to about \$4.4 billion in 1969, fell off to \$4.1 billion in 1970 and surged ahead to a record \$5 billion in 1971. As a proportion of total imports, the respondents' purchases from foreign affiliates increased from 67 per cent in 1964 to 77.7 per cent seven years later. The decline in the proportion of total foreign sales made to related companies in 1970 as compared with 1969 was due almost entirely to the lower sales of respondents in the transportation equipment and in the pulp and paper industry groups. The decline in purchases from related companies in both dollar terms and as a proportion of total imports was mainly due to the lower inter-company dealings of reporting corporations in the transportation equipment industry again, although most other industry groups did show minor declines in their purchases from affiliates abroad. As mentioned earlier, the operating results of the whole transportation equipment industry were adversely affected in 1970 by the prolonged strikes at the plants of General Motors on both sides of the border; strike actions also affected the 1970 performance of some

respondents in other industry groups such as those in the pulp and paper classification.

The growing importance of the inter-company transactions of the respondents in the Canadian economy is reflected in the increased role they are playing in Canada's foreign trade. In 1971, the respondents' exports of \$5.2 billion to related companies abroad accounted for 29 per cent of that year's total Canadian commodity exports to all countries which amounted to \$17.8 billion; this compares with the \$1.3 billion sales to related foreign companies in 1964, 16 per cent of the year's total exports of \$8.2 billion. In the case of imports, the respondents' purchases of goods from associated companies abroad, \$5 billion in 1971 and \$1.6 billion in 1964, were the equivalent of 32 per cent of the 1971 total Canadian commodity imports of \$15½ billion and 21½ per cent of the 1964 total of \$7½ billion.

The inter-company commodity transactions of the respondents resulted in sizable deficits in the first two years in the period, the adverse balances amounting to \$293 million in 1964 and to \$539 million in 1965. However, for all years in the remainder of the period, this trade contributed surpluses towards Canada's balance on

SUMMARY TABLE 12. — Merchandise Trade with Parents and Affiliates Abroad, All Reporting Corporations, Annually, 1964 to 1971

| Year and Item | Export sales | Imports of merchandise | Balance on merchandise trade |
|---|--------------|------------------------|------------------------------|
| 1964 | | | |
| Trade with parents and affiliates abroad: | | | |
| — In millions of dollars | 1,335 | 1,628 | — 293 |
| As percentages of total foreign trade | 47.9 | 67.0 | n/a |
| 1965 | | | |
| Trade with parents and affiliates abroad: | | | |
| — In millions of dollars | 1,496 | 2,035 | — 539 |
| As percentages of total foreign trade | 49.7 | 68.0 | n/a |
| 1966 | | | |
| Trade with parents and affiliates abroad: | | | |
| — In millions of dollars | 2,292 | 2,422 | 131 |
| As percentages of total foreign trade | 59.1 | 69.6 | 32.8 |
| 1967 | | | |
| Trade with parents and affiliates abroad: | | | |
| — In millions of dollars | 3,005 | 2,891 | 115 |
| As percentages of total foreign trade | 65.7 | 71.1 | 22.7 |
| 1968 | | | |
| Trade with parents and affiliates abroad: | | | |
| — In millions of dollars | 3,763 | 3,722 | 41 |
| As percentages of total foreign trade | 67.9 | 74.9 | 7.1 |
| 1969 | | | |
| Trade with parents and affiliates abroad: | | | |
| — In millions of dollars | 4,534 | 4,365 | 169 |
| As percentages of total foreign trade | 72.3 | 76.2 | 31.2 |
| 1970 | | | |
| Trade with parents and affiliates abroad: | | | |
| — In millions of dollars | 4,549 | 4,090 | 459 |
| As percentages of total foreign trade | 70.2 | 74.0 | 48.2 |
| 1971 | | | |
| Trade with parents and affiliates abroad: | | | |
| — In millions of dollars | 5,209 | 5,018 | 191 |
| As percentages of total foreign trade | 71.9 | 77.7 | 24.1 |

international commodity transactions, the favourable balances ranging from \$41 million in 1968 to \$459 million in 1970. The surplus in 1971 amounted to \$191 million. Much of this improvement was due to the transformation of the heavy deficits incurred in the commodity trade of the transportation equipment industry in 1964 and 1965, \$324 million and \$457 million, respectively, to deficits of

\$155 million in 1966 and of \$23 million in 1968, to surpluses of \$74 million in 1967, \$244 million in 1969, \$323 million in 1970 and to \$262 million in 1971.

Throughout the 1964 to 1971 period the reporting corporations continued to rely more upon associated companies abroad as sources of imported supplies than as customers for their foreign sales but the difference in

relative terms narrowed considerably from 1966 onward. In 1964 the respondents depended upon foreign associates for 67 per cent of all their imports while selling them only about 48 per cent of their exports, while in 1971 their reliance on related companies for their imported needs had risen to only 77.7 per cent but they depended upon affiliates abroad for 71.9 per cent of all foreign sales.

As Summary Table 14 indicates, while there were fluctuations in the proportions of imported goods obtained

from affiliates from year to year in the period and from industry to industry, these tended on the whole to be less erratic and less severe than those shown for exports. For all the industry groups taken together the range of the year-to-year variations in the portion of foreign purchases supplied by associates was only between 67 and 77.7 per cent versus 47.9 and 72.3 per cent for exports.

In each year in the 1964 to 1971 period, eight of the 11 industry groups relied upon foreign affiliates for more

SUMMARY TABLE 13. — Merchandise Trade with the United States and All Foreign Countries and with Parents and Affiliates in the United States and in All Foreign Countries, All Reporting Corporations, by Industry, 1970

| Industry | Total export sales | | | Exports to parents, etc. | | |
|-------------------------------------|-------------------------------|--------------------------|---------------------------|-------------------------------|--------------------------|---------------------------|
| | To United States | To all foreign countries | Per cent to United States | In United States | In all foreign countries | Per cent to United States |
| | <i>In millions of dollars</i> | | | <i>In millions of dollars</i> | | |
| Mining and primary metals | 339 | 500 | 67.8 | 285 | 308 | 92.5 |
| Gas and oil | 584 | 645 | 90.5 | 398 | 424 | 93.9 |
| Machinery and metal fabricating . . | 231 | 296 | 78.0 | 222 | 269 | 82.5 |
| Transportation equipment | 2,815 | 3,009 | 93.6 | 2,581 | 2,644 | 97.6 |
| Electrical products | 134 | 216 | 62.0 | 73 | 86 | 84.9 |
| Chemical products | 94 | 158 | 59.5 | 61 | 107 | 57.0 |
| Food and beverage | 56 | 110 | 50.9 | 37 | 43 | 86.0 |
| Pulp and paper | 682 | 894 | 76.3 | 372 | 421 | 88.4 |
| Other manufacturing | 69 | 115 | 60.0 | 45 | 65 | 69.2 |
| Wholesale trade | 117 | 526 | 22.2 | 106 | 176 | 60.2 |
| Other non-manufacturing | 10 | 10 | 100.0 | 7 | 7 | 100.0 |
| Total | 5,132 | 6,479 | 79.2 | 4,188 | 4,549 | 92.1 |

| Industry | Total imports | | | Imports from parents, etc. | | |
|-------------------------------------|-------------------------------|----------------------------|-----------------------------|-------------------------------|--------------------------|---------------------------|
| | From United States | From all foreign countries | Per cent from United States | In United States | In all foreign countries | Per cent in United States |
| | <i>In millions of dollars</i> | | | <i>In millions of dollars</i> | | |
| Mining and primary metals | 80 | 92 | 87.0 | 65 | 72 | 90.3 |
| Gas and oil | 221 | 631 | 35.0 | 161 | 532 | 30.3 |
| Machinery and metal fabricating . . | 362 | 407 | 88.9 | 287 | 324 | 88.6 |
| Transportation equipment | 2,948 | 3,037 | 97.1 | 2,240 | 2,321 | 96.5 |
| Electrical products | 212 | 281 | 75.4 | 136 | 191 | 71.2 |
| Chemical products | 217 | 266 | 81.6 | 131 | 148 | 88.5 |
| Food and beverage | 116 | 219 | 53.0 | 49 | 96 | 51.0 |
| Pulp and paper | 42 | 56 | 75.0 | 12 | 17 | 70.6 |
| Other manufacturing | 192 | 231 | 83.1 | 134 | 163 | 82.2 |
| Wholesale trade | 135 | 235 | 57.4 | 106 | 197 | 53.8 |
| Other non-manufacturing | 50 | 70 | 71.4 | 30 | 30 | 100.0 |
| Total | 4,576 | 5,527 | 82.8 | 3,352 | 4,090 | 82.0 |

Note: Data for 1969 and 1971 are given in Summary Tables 16 and 17 and for 1964, 1965, 1966, 1967 and 1968 in Appendix VIII.

SUMMARY TABLE 14. -- Proportion of Exports to Parents and Affiliates Abroad and of Imports from Parents and Affiliates Abroad, All Reporting Corporations, by Industry, Annually, 1964 to 1971

In percentages

| Industry | Exports to parents and affiliates as percentage of total exports | | | | | | | |
|---|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
| Mining and primary metals | 72.8 | 68.9 | 68.9 | 67.3 | 66.5 | 63.0 | 61.6 | 59.2 |
| Gas and oil | 63.5 | 61.5 | 61.7 | 66.7 | 64.8 | 67.3 | 65.7 | 54.3 |
| Machinery and metal fabricating | 86.9 | 89.7 | 90.9 | 89.7 | 90.9 | 90.5 | 90.9 | 84.4 |
| Transportation equipment | 36.8 | 54.9 | 82.6 | 84.2 | 85.9 | 88.9 | 87.9 | 92.3 |
| Electrical products | 46.7 | 54.5 | 49.6 | 44.7 | 37.8 | 39.1 | 39.8 | 37.8 |
| Chemical products | 45.9 | 41.6 | 50.4 | 58.6 | 49.2 | 52.0 | 67.7 | 65.5 |
| Food and beverage | 35.7 | 35.8 | 27.5 | 35.0 | 35.1 | 39.6 | 39.1 | 42.7 |
| Pulp and paper | 47.8 | 47.2 | 52.7 | 54.5 | 52.2 | 50.6 | 47.1 | 49.9 |
| Other manufacturing | 27.8 | 38.8 | 40.0 | 46.7 | 50.0 | 45.2 | 56.5 | 58.5 |
| Wholesale trade | 27.2 | 26.0 | 26.1 | 30.6 | 29.0 | 38.0 | 33.5 | 34.8 |
| Other non-manufacturing | — (1) | 93.3 | 90.0 | 71.4 | 60.0 | 78.6 | 70.0 | 70.0 |
| Total | 47.9 | 49.7 | 59.1 | 65.7 | 67.9 | 72.3 | 70.2 | 71.9 |

| Industry | Imports from parents and affiliates as percentage of total imports | | | | | | | |
|---|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
| Mining and primary metals | 74.3 | 80.7 | 79.5 | 65.3 | 70.2 | 77.2 | 78.3 | 75.0 |
| Gas and oil | 89.7 | 88.3 | 86.0 | 87.0 | 85.7 | 88.6 | 84.3 | 90.4 |
| Machinery and metal fabricating | 79.6 | 78.9 | 78.5 | 82.6 | 78.1 | 79.8 | 79.6 | 79.9 |
| Transportation equipment | 64.6 | 67.7 | 71.3 | 71.1 | 78.5 | 78.8 | 76.4 | 81.1 |
| Electrical products | 69.3 | 72.7 | 71.0 | 70.1 | 64.1 | 72.4 | 68.0 | 66.6 |
| Chemical products | 57.1 | 54.9 | 56.2 | 60.1 | 59.8 | 60.7 | 55.6 | 56.7 |
| Food and beverage | 31.5 | 34.3 | 33.8 | 40.0 | 44.7 | 45.7 | 43.8 | 39.6 |
| Pulp and paper | 33.3 | 32.5 | 36.6 | 39.5 | 26.1 | 23.3 | 30.4 | 39.1 |
| Other manufacturing | 63.3 | 60.9 | 65.0 | 62.5 | 69.0 | 70.3 | 70.6 | 69.0 |
| Wholesale trade | 78.2 | 77.2 | 75.5 | 86.5 | 89.1 | 85.3 | 83.8 | 84.3 |
| Other non-manufacturing | 29.5 | 22.6 | 25.0 | 29.3 | 16.4 | 32.6 | 42.8 | 41.1 |
| Total | 67.0 | 68.0 | 69.6 | 71.1 | 74.9 | 76.2 | 74.0 | 77.7 |

(1) Almost 100 per cent, as exports to other than parents and affiliates amounted to less than \$2,000 out of the \$15,000,000 total foreign sales.

than one-half of their imports, and of these, three obtained over three quarters of their foreign purchases from related companies abroad, four others sourced more than three fifths of their purchases abroad in associated foreign companies and the remaining one of these eight depended upon foreign affiliates for somewhat more than one half of its imported needs throughout the period. The three industries relying the most upon associated companies abroad for imports were gas and oil, wholesale trade and

machinery and metal fabricating; the four depending upon foreign affiliates for between three fifths and three quarters of their foreign purchases were mining and primary metals, transportation equipment, electrical products and the other manufacturing classes; and the one obtaining more than one half but less than three fifths its import requirements from foreign parents and affiliates was the chemical products group. The industries which procured less than one half of their imports from foreign associates throughout the whole

period were the other non-manufacturing, pulp and paper and food and beverage categories. The first of these, the other non-manufacturing group, had the lowest rate of dependency upon foreign associates for imported needs of the eleven industry divisions used in this report, averaging less than 30 per cent in each year in the 1964 to 1971 period; it also had the lowest yearly proportion as well, 16.4 per cent in 1968. The gas and oil industry had the highest dependency rate in this regard of any group every year in the period but one, had the highest average for the period, almost 88 per cent, and had the highest rate for any one year, 90.4 per cent in 1971. In all, nine of the 11 industries obtained a larger share of their imports from foreign parents and affiliates in 1971 than seven years earlier, but in the case of two of these, the increase was less than one percentage point.

Throughout the 1964 to 1971 period, the international inter-company merchandise trade of the respondents was carried on largely with parents and affiliates in the United States and this trend increased somewhat over the period. In 1971 the reporting corporations consigned 93.1 per cent of their exports to related companies, to associated firms in the United States, and obtained 83½ per cent of all the merchandise purchased from related foreign companies, from parents and affiliates in the United States. The corresponding proportions for 1964 were: exports, 76.8 per cent and imports, 72.1 per cent. While these increases were fairly widespread among the 11 industry groups, the major gains in relative terms were shown by the food and beverage, machinery and metal fabricating, transportation equipment and electrical products classifications, in the case of exports; and by the pulp and paper, mining and primary metals, gas and oil and transportation equipment divisions, in the case of imports.

The international merchandise trade carried on by the respondents with affiliates abroad has resulted in surpluses in the last five years of the 1964 to 1971 period, these favourable balances ranging from some \$40 million in 1968

to \$459 million in 1970; the deficits incurred amounted to \$228 million in 1964, \$477 million in 1965 to \$62 million in 1966. The betterment shown in this type of trade is due to the great improvement in the exchange of goods with related companies in the United States since 1966 which has resulted in substantial surpluses in these later years compared with the sizable adverse balances incurred in 1964 and 1965. Inter-company foreign trade with related firms elsewhere than in the United States produced deficits every year in the period with these adverse balances ranging between \$145 million at the beginning of the period to \$465 million at its end. Thus, the favourable overall balances achieved in this trade since 1967 has been due solely to the turnaround in the transactions with the United States from deficits in 1964 and 1965 to mainly substantial surpluses thereafter. The reverse is true in respect to the respondents' merchandise trade with non-affiliated foreign markets, such transactions resulting in sizable imbalances in dealings with the United States in all years, except 1964, and in much larger favourable balances in trade with non-affiliates which more than offset the United States adverse balances to yield overall favourable current account balances.

Finally, in assessing the international merchandise transactions of the foreign subsidiaries participating in the guidelines survey, full consideration must be given to the impact and the role of the Canada-United States Automotive Agreement of 1965 on the aggregate transactions of the respondents. To illustrate, the transportation equipment industry, largely reflecting developments in the automotive goods component, accounted for \$3.1 billion of the \$4½ billion increase shown in the exports of all the respondents between 1964 and 1971 and was responsible for \$2.9 billion of the \$4 billion gain shown in the respondents' aggregate imports over this period. Similarly, much of the rise in the inter-company international commodity trade of the reporting corporations over this seven-year period was due to the greatly expanded two-way trade of the respondents

SUMMARY TABLE 15. — Merchandise Trade with Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, Annually, 1969 to 1971

| Item | Trade of the reporting corporations with parents and affiliates in | | | | | | | | |
|------------------------------------|--|-------|-------|-------------------------|------|------|-----------------------|-------|-------|
| | United States | | | Other foreign countries | | | All foreign countries | | |
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| <i>Amounts:</i> | <i>In millions of dollars</i> | | | | | | | | |
| -Export sales | 4,216 | 4,188 | 4,848 | 319 | 361 | 362 | 4,534 | 4,549 | 5,209 |
| Merchandise imports | 3,553 | 3,262 | 4,119 | 715 | 716 | 815 | 4,269 | 3,978 | 4,934 |
| Capital equipment imported | 88 | 90 | 73 | 9 | 22 | 11 | 96 | 112 | 84 |
| Total import trade | 3,641 | 3,352 | 4,192 | 724 | 738 | 826 | 4,365 | 4,090 | 5,018 |
| Balance on merchandise trade | 574 | 836 | 656 | -406 | -377 | -465 | 169 | 459 | 191 |
| <i>Geographical distribution:</i> | <i>In percentages</i> | | | | | | | | |
| Export sales | 93.0 | 92.1 | 93.1 | 7.0 | 7.9 | 6.9 | 100.0 | 100.0 | 100.0 |
| Merchandise imports | 83.2 | 82.0 | 83.5 | 16.7 | 18.0 | 16.5 | 100.0 | 100.0 | 100.0 |
| Capital equipment imported | 91.7 | 80.4 | 86.9 | 9.4 | 19.6 | 13.1 | 100.0 | 100.0 | 100.0 |
| Total import trade | 83.4 | 82.0 | 83.5 | 16.6 | 18.0 | 16.5 | 100.0 | 100.0 | 100.0 |
| Balance on merchandise trade | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

in the automotive goods component of the transportation equipment industry. Respondents in the transportation equipment industry contributed \$3.1 billion of the \$3.9 billion increase reported by all respondents in export sales to related companies abroad and were responsible for \$2½ billion of the \$3.4 billion rise shown in the foreign purchases made by all the respondents from parents and affiliates outside Canada during the 1964 to 1971 period. The importance of the part of the transportation equipment industry and of its major growth sector, the

automobile and parts manufacturing industry, is also apparent if the international merchandise trade of the respondents, excluding those in this industry, are considered. With this exclusion, the advances in the commodity exports and imports of the remaining ten industry groups over the 1964 to 1971 period are much more modest, 55 per cent in the case of foreign sales and 62 per cent for foreign purchases; these gains compare with the 160 per cent gain in exports and the 166 per cent rise in imports reported by all eleven industry groups in aggregate.

SUMMARY TABLE 16. — Export Sales to the United States and to All Foreign Countries, and to Parents and Affiliates in the United States and in All Foreign Countries, All Reporting Corporations, by Industry, 1969 and 1971

| 1969 | | | | | | |
|---------------------------------------|-------------------------------|--------------------------|---------------------------|-------------------------------|--------------------------|---------------------------|
| Industry | Total export sales | | | Export sales to parents, etc. | | |
| | To United States | To all foreign countries | Per cent to United States | In United States | In all foreign countries | Per cent in United States |
| | <i>In millions of dollars</i> | | | <i>In millions of dollars</i> | | |
| Mining and primary metals | 298 | 430 | 69.3 | 247 | 271 | 91.1 |
| Gas and oil | 509 | 569 | 89.5 | 355 | 383 | 92.7 |
| Machinery and metal fabricating | 181 | 232 | 78.0 | 175 | 210 | 83.3 |
| Transportation equipment | 2,965 | 3,138 | 94.5 | 2,737 | 2,790 | 98.1 |
| Electrical products | 103 | 174 | 59.2 | 57 | 68 | 83.8 |
| Chemical products | 104 | 152 | 68.4 | 46 | 79 | 58.2 |
| Food and beverage | 44 | 96 | 45.8 | 31 | 38 | 81.6 |
| Pulp and paper | 734 | 936 | 78.4 | 433 | 474 | 91.4 |
| Other manufacturing | 56 | 124 | 45.2 | 28 | 56 | 50.0 |
| Wholesale trade | 107 | 405 | 26.4 | 96 | 154 | 62.3 |
| Other non-manufacturing | 13 | 14 | 92.9 | 11 | 11 | 100.0 |
| Total | 5,115 | 6,270 | 81.6 | 4,216 | 4,534 | 93.0 |
| 1971 | | | | | | |
| Industry | Total export sales | | | Export sales to parents, etc. | | |
| | To United States | To all foreign countries | Per cent to United States | In United States | In all foreign countries | Per cent in United States |
| | <i>In millions of dollars</i> | | | <i>In millions of dollars</i> | | |
| Mining and primary metals | 352 | 505 | 69.7 | 279 | 299 | 93.3 |
| Gas and oil | 752 | 785 | 95.8 | 411 | 426 | 96.5 |
| Machinery and metal fabricating | 280 | 341 | 82.1 | 255 | 288 | 88.5 |
| Transportation equipment | 3,358 | 3,513 | 95.6 | 3,194 | 3,243 | 98.5 |
| Electrical products | 91 | 180 | 50.6 | 53 | 68 | 77.9 |
| Chemical products | 89 | 148 | 60.1 | 55 | 97 | 56.7 |
| Food and beverage | 61 | 117 | 52.1 | 44 | 50 | 88.0 |
| Pulp and paper | 670 | 848 | 79.0 | 372 | 423 | 87.9 |
| Other manufacturing | 65 | 118 | 55.1 | 45 | 69 | 65.2 |
| Wholesale trade | 145 | 683 | 21.2 | 134 | 238 | 56.3 |
| Other non-manufacturing | 9 | 10 | 90.0 | 6 | 7 | 85.7 |
| Total | 5,873 | 7,248 | 81.0 | 4,848 | 5,209 | 93.1 |

SUMMARY TABLE 17. – Merchandise Imports from the United States and from All Foreign Countries, and from Parents and Affiliates in the United States and in All Foreign Countries, All Reporting Corporations, by Industry, 1969 and 1971

| 1969 | | | | | | |
|---|-------------------------------|----------------------------|-----------------------------|-------------------------------|--------------------------|---------------------------|
| Industry | Total merchandise imports | | | Imports from parents, etc. | | |
| | From United States | From all foreign countries | Per cent from United States | In United States | In all foreign countries | Per cent in United States |
| | <i>In millions of dollars</i> | | | <i>In millions of dollars</i> | | |
| Mining and primary metals | 65 | 79 | 82.3 | 54 | 61 | 88.5 |
| Gas and oil | 216 | 617 | 35.0 | 160 | 547 | 29.2 |
| Machinery and metal fabricating | 382 | 421 | 90.7 | 306 | 336 | 91.1 |
| Transportation equipment | 3,167 | 3,232 | 98.0 | 2,489 | 2,546 | 97.8 |
| Electrical products | 192 | 272 | 70.6 | 134 | 197 | 68.0 |
| Chemical products | 221 | 257 | 86.0 | 138 | 156 | 88.5 |
| Food and beverage | 122 | 210 | 58.1 | 58 | 96 | 60.4 |
| Pulp and paper | 40 | 60 | 66.7 | 8 | 14 | 57.1 |
| Other manufacturing | 200 | 236 | 84.7 | 140 | 166 | 84.3 |
| Wholesale trade | 144 | 252 | 57.1 | 124 | 215 | 57.7 |
| Other non-manufacturing | 70 | 92 | 76.1 | 30 | 30 | 100.0 |
| Total | 4,819 | 5,729 | 84.1 | 3,641 | 4,365 | 83.4 |
| 1971 | | | | | | |
| Industry | Total merchandise imports | | | Imports from parents, etc. | | |
| | From United States | From all foreign countries | Per cent from United States | In United States | In all foreign countries | Per cent in United States |
| | <i>In millions of dollars</i> | | | <i>In millions of dollars</i> | | |
| Mining and primary metals | 81 | 92 | 88.0 | 65 | 69 | 94.2 |
| Gas and oil | 251 | 728 | 34.5 | 200 | 658 | 30.4 |
| Machinery and metal fabricating | 454 | 517 | 87.8 | 356 | 413 | 86.2 |
| Transportation equipment | 3,574 | 3,674 | 97.3 | 2,891 | 2,981 | 97.0 |
| Electrical products | 250 | 296 | 84.4 | 164 | 197 | 83.2 |
| Chemical products | 230 | 261 | 88.1 | 136 | 148 | 91.9 |
| Food and beverage | 117 | 225 | 52.0 | 46 | 89 | 51.7 |
| Pulp and paper | 47 | 64 | 73.4 | 18 | 25 | 72.0 |
| Other manufacturing | 205 | 245 | 83.7 | 140 | 169 | 82.8 |
| Wholesale trade | 176 | 281 | 62.6 | 146 | 237 | 61.6 |
| Other non-manufacturing | 47 | 73 | 64.4 | 30 | 30 | 100.0 |
| Total | 5,434 | 6,456 | 84.2 | 4,192 | 5,018 | 83.5 |

International Non-merchandise Transactions, 1969 to 1971:

The transactions of the reporting corporations involving the receipts or payments for other purposes than the sale or purchase of merchandise have already been discussed in general terms in Section 1 in the paragraphs dealing with 'income from sources other than operating sales' and 'expenses for purposes other than the purchases of merchandise.' The following section discusses the international and inter-company aspects of these 'services'

transactions.

As Tables 2 and 3 show, the income derived by the respondents from current services transactions was quite small in relative terms, amounting to about \$93 million in 1969, \$88 million in 1970 and \$125 million in 1971. In all three of these years, the larger part of these other current receipts came from foreign countries other than the United States, i.e., about 70 per cent in 1969, 64 per cent in 1970 and 52 per cent in 1971. The major parts

of these earnings were derived from dealings with affiliates abroad, 77 per cent in 1969, 73 per cent in 1970 and 82 per cent in 1971; but, again, it was the associates in foreign countries other than the United States that were responsible for the larger portion of this income during these years. It should be noted, however, that receipts of service payments from affiliates in the United States did rise rapidly between 1969 and 1971, from \$17 million to \$46 million, respectively, accounting for only about 23 per cent of the 1969 total and for some 44 per cent of the 1971 total.

The foreign payments of the respondents for purposes other than the purchases of merchandise and capital equipment, listed in Tables 2, 3, and 4 as 'Total other current payments,' amounted to \$839 million in 1969, \$895 million in 1970 and \$1,059 million in 1971. The major component of these payments abroad was dividends, which accounted for about 40 per cent of the total in 1969, 42 per cent in 1970 and 51 per cent in 1971. In all three years, approximately nine tenths of these dividends went to

companies in the United States. The more important other types of payments going abroad in this period were interest, royalties charges, fees for management and administrative services and payments for research and development work carried out abroad. Interest payments amounted to \$92 million in 1969 and \$98 million in 1971; royalties totalled \$76 million in the earlier year and \$82 million in the latter; managerial and services fees came to \$30 million and \$42 million, respectively; and payments for research and development work totalled \$20 million in 1969 and \$29 million two years later. As in the case of dividends, some nine tenths of the totals of these foreign payments went to the United States. Affiliated companies were the main beneficiaries of the foreign payments of the reporting corporations, receiving about 96 per cent of the dividends paid abroad in both 1969 and 1971, well over one half of the interest payments, over four fifths of the amounts expended on royalties, between seven tenths and nine tenths the outlays for research and almost the entire sums expended on foreign managerial and administrative services.

SUMMARY TABLE 18. — Geographical Distribution of Other Payments Abroad, All Reporting Corporations, by Major Items, 1969 and 1971

| Item of payment abroad | 1969 | | | 1971 | | |
|--|-------------------------------|----------------------------|--------------------------|---------------------|----------------------------|--------------------------|
| | To United States | To other foreign countries | To all foreign countries | To United States | To other foreign countries | To all foreign countries |
| <i>Amounts:</i> | | | | | | |
| | <i>In millions of dollars</i> | | | | | |
| Interest | 79 | 13 | 92 | 85 | 13 | 98 |
| Royalties paid | 69 | 7 | 76 | 76 | 6 | 82 |
| Managerial and administrative charges, including directors' fees | 29 | 1 | 30 | 42 | 1 | 42 |
| Rent on property and equipment | 8 | 2 | 10 | 7 | 2 | 8 |
| Charges for research and development | 19 | 1 | 20 | 26 | 3 | 29 |
| All other payments | 249 | 24 | 273 | 221 | 36 | 257 |
| Total non-merchandise payments, excluding dividends | 453 | 47 | 500 | 456 | 60 | 517 |
| Dividends | 299 | 39 | 338 | 497 | 45 | 542 |
| Total non-merchandise payments, including dividends | 752 | 87 | 839 | 954 | 105 | 1059 |
| <i>Proportions:</i> | | | | | | |
| | <i>In percentages</i> | | | | | |
| Interest | 85.9 | 14.1 | 100.0 | 86.7 | 13.3 | 100.0 |
| Royalties paid | 90.8 | 9.2 | 100.0 | 92.7 | 7.3 | 100.0 |
| Managerial and administrative charges, including directors' fees | 96.7 | 3.3 | 100.0 | 98.2 ⁽¹⁾ | 1.8 ⁽¹⁾ | 100.0 |
| Rent on property and equipment | 80.0 | 20.0 | 100.0 | 82.4 ⁽¹⁾ | 17.6 ⁽¹⁾ | 100.0 |
| Charges for research and development | 95.0 | 5.0 | 100.0 | 89.6 | 10.3 | 100.0 |
| All other payments | 91.2 | 8.8 | 100.0 | 86.0 | 14.0 | 100.0 |

SUMMARY TABLE 18 (cont'd)

| Item of payment abroad | 1969 | | | 1971 | | |
|---|------------------|----------------------------|--------------------------|------------------|----------------------------|--------------------------|
| | To United States | To other foreign countries | To all foreign countries | To United States | To other foreign countries | To all foreign countries |
| Total non-merchandise payments, excluding dividends | 90.6 | 9.4 | 100.0 | 88.2 | 11.6 | 100.0 |
| Dividends | 88.5 | 11.5 | 100.0 | 91.7 | 8.3 | 100.0 |
| Total non-merchandise payments, including dividends | 89.6 | 10.4 | 100.0 | 90.1 | 9.9 | 100.0 |

(1) Based on 'unrounded' figures.

SUMMARY TABLE 19. — Geographical Distribution of Other Payments to Parents and Affiliates Abroad, All Reporting Corporations, by Major Item, 1969 and 1971

| Item of payment to parents and affiliates abroad | 1969 | | | 1971 | | |
|--|---------------------|----------------------------|--------------------------|---------------------|----------------------------|--------------------------|
| | In United States | In other foreign countries | In all foreign countries | In United States | In other foreign countries | In all foreign countries |
| <i>Amounts:</i> <i>In millions of dollars</i> | | | | | | |
| Interest | 42 | 10 | 52 | 49 | 10 | 60 |
| Royalties paid | 61 | 5 | 66 | 68 | 4 | 72 |
| Managerial and administrative charges, including director's fees | 29 | 1 | 30 | 41 | 1 | 42 |
| Rent on property and equipment | 2 | — | 2 | 4 | — | 4 |
| Charges for research and development | 13 | 1 | 14 | 23 | 3 | 26 |
| All other payments | 184 | 15 | 199 | 159 | 29 | 188 |
| Total non-merchandise payments, excluding dividends | 330 | 31 | 362 | 345 | 47 | 392 |
| Dividends | 290 | 36 | 326 | 478 | 41 | 519 |
| Total non-merchandise payments, including dividends | 621 | 67 | 688 | 823 | 88 | 911 |
| <i>Proportions:</i> <i>In percentages</i> | | | | | | |
| Interest | 80.8 | 19.2 | 100.0 | 81.7 | 16.7 | 100.0 |
| Royalties paid | 92.4 | 7.6 | 100.0 | 94.4 | 5.6 | 100.0 |
| Managerial and administrative charges, including directors' fees | 96.7 | 3.3 | 100.0 | 97.6 | 2.4 | 100.0 |
| Rent on property and equipment | 96.1 ⁽¹⁾ | 3.9 ⁽¹⁾ | 100.0 | 95.6 ⁽¹⁾ | 4.4 ⁽¹⁾ | 100.0 |
| Charges for research and development | 92.9 | 7.1 | 100.0 | 88.5 | 11.5 | 100.0 |
| All other payments | 92.5 | 7.5 | 100.0 | 84.6 | 15.4 | 100.0 |

SUMMARY TABLE 19 (cont'd)

| Item of payment to parents and affiliates abroad | 1969 | | | 1971 | | |
|--|------------------------|----------------------------------|--------------------------------|------------------------|----------------------------------|--------------------------------|
| | In United States | In other foreign countries | In all foreign countries | In United States | In other foreign countries | In all foreign countries |
| Total non-merchandise payments, excluding dividends | 91.2 | 8.6 | 100.0 | 88.0 | 12.0 | 100.0 |
| Dividends | 89.0 | 11.0 | 100.0 | 92.1 | 7.9 | 100.0 |
| Total non-merchandise payments, including dividends | 90.3 | 9.7 | 100.0 | 90.3 | 9.6 | 100.0 |

(1) Based on 'unrounded' figures.

It should be pointed out that since no allowances have been made for the withholding taxes levied by the federal government on certain service payments made to non-residents, some of the figures shown in Summary Tables 18 and 19 may be as much as 10 to 15 per cent higher than the amounts actually sent abroad in payment for the various types of services.

TABLE 2. Summary of Current International Transactions with the United States, with Other Foreign Countries and with All Foreign Countries, All Reporting Corporations, Annually, 1969 to 1971

| Item | In millions of dollars | | | | | | | | | |
|---|------------------------|---------------|---------------|-------------------------|--------------|--------------|-----------------------|--------------|---------------|--|
| | United States | | | Other foreign countries | | | All foreign countries | | | |
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 | |
| Export sales | 5,115.3 | 5,132.3 | 5,872.8 | 1,154.6 | 1,346.5 | 1,375.2 | 6,269.9 | 6,478.8 | 7,247.9 | |
| Merchandise imports | 4,651.0 | 4,371.2 | 5,294.2 | 891.6 | 917.6 | 1,003.9 | 5,542.6 | 5,288.7 | 6,298.1 | |
| Capital equipment imported | 168.3 | 204.9 | 139.8 | 18.0 | 33.4 | 18.5 | 186.3 | 238.3 | 158.3 | |
| Total import trade | 4,819.3 | 4,576.1 | 5,434.0 | 909.6 | 950.9 | 1,022.4 | 5,729.0 | 5,527.0 | 6,456.4 | |
| Balance on merchandise trade | 296.1 | 556.2 | 438.7 | 244.9 | 395.6 | 352.8 | 541.0 | 951.8 | 791.5 | |
| Other current receipts | 27.9 | 31.6 | 60.5 | 65.2 | 56.4 | 64.9 | 93.1 | 88.0 | 125.4 | |
| Dividends paid | 298.9 | 331.6 | 497.1 | 39.6 | 41.0 | 44.7 | 338.4 | 372.6 | 541.8 | |
| Other current payments | 453.3 | 456.2 | 456.4 | 47.2 | 66.2 | 60.6 | 500.5 | 522.4 | 517.0 | |
| Total other current payments | 752.2 | 787.8 | 953.5 | 86.8 | 107.2 | 105.2 | 839.0 | 895.0 | 1,058.8 | |
| Balance on non-merchandise transactions | -724.3 | -756.2 | -893.0 | -21.5 | -50.9 | -40.3 | -745.9 | -807.0 | -933.4 | |
| Total receipts | 5,143.3 | 5,163.9 | 5,933.3 | 1,219.8 | 1,402.9 | 1,440.1 | 6,363.1 | 6,566.8 | 7,373.3 | |
| Total payments | 5,571.6 | 5,363.9 | 6,387.6 | 996.4 | 1,058.2 | 1,127.6 | 6,567.9 | 6,422.0 | 7,515.2 | |
| Current account balance (1) | -428.3 | -200.0 | -454.3 | 223.4 | 344.7 | 312.4 | -204.9 | 144.7 | -141.8 | |

(1) There are a number of qualifications on the concept of 'current account balance' used here. The merchandise imports and exports are those made directly by the respondents and, hence, goods sold by them in Canada and subsequently exported are not included in their export figures and imported goods purchased from Canadian suppliers are excluded from their imports. In addition, the import figures include duties, sales taxes and the cost of transportation in Canada, in most cases. Finally, the 'dividends paid abroad' figures do not make any allowances for the Canadian withholding tax, and thus may be up to 15 per cent higher than the actual amounts sent abroad.

TABLE 3. — Summary of Current International Transactions with Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, Annually, 1969 to 1971

| Item | In millions of dollars | | | | | | | | | |
|---|------------------------|---------|---------|-------------------------|--------|--------|-----------------------|---------|---------|--|
| | United States | | | Other foreign countries | | | All foreign countries | | | |
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 | |
| Export sales | 4,215.5 | 4,187.9 | 4,847.6 | 318.8 | 361.4 | 361.5 | 4,534.3 | 4,549.4 | 5,209.1 | |
| Merchandise imports | 3,553.4 | 3,262.4 | 4,118.7 | 715.5 | 716.1 | 815.0 | 4,268.8 | 3,978.5 | 4,933.7 | |
| Capital equipment imported | 87.6 | 89.6 | 73.3 | 8.9 | 22.0 | 11.3 | 96.5 | 111.6 | 84.6 | |
| Total import trade | 3,641.0 | 3,352.0 | 4,192.0 | 724.4 | 738.1 | 826.3 | 4,365.3 | 4,090.1 | 5,018.3 | |
| Balance on merchandise trade | 574.5 | 835.9 | 655.6 | -405.6 | -376.7 | -464.8 | 169.0 | 459.2 | 190.8 | |
| Other current receipts | 16.8 | 18.5 | 45.5 | 55.1 | 45.7 | 57.3 | 71.9 | 64.2 | 102.9 | |
| Dividends paid | 290.1 | 323.1 | 478.0 | 35.6 | 35.2 | 40.9 | 325.7 | 358.4 | 518.8 | |
| Other current payments | 330.6 | 339.8 | 344.9 | 31.7 | 53.8 | 47.4 | 362.3 | 393.6 | 392.3 | |
| Total other current payments | 620.7 | 662.9 | 822.9 | 67.3 | 89.0 | 88.3 | 688.0 | 751.9 | 911.1 | |
| Balance on non-merchandise transactions | -603.9 | -644.4 | -777.3 | -12.1 | -43.3 | -30.9 | -616.1 | -687.7 | -808.3 | |
| Total receipts | 4,232.3 | 4,206.4 | 4,893.1 | 373.9 | 407.2 | 418.9 | 4,606.2 | 4,613.6 | 5,312.0 | |
| Total payments | 4,261.7 | 4,014.9 | 5,014.9 | 791.7 | 827.2 | 914.6 | 5,053.4 | 4,842.1 | 5,929.4 | |
| Current account balance | -29.4 | 191.5 | -121.7 | -417.8 | -420.0 | -495.7 | -447.1 | -228.5 | -617.4 | |

TABLE 4. — Summary of Current International Transactions with Other Than Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, Annually, 1969 to 1971

| Item | In millions of dollars | | | | | | | | | |
|---|------------------------|---------|---------|-------------------------|-------|---------|-----------------------|---------|---------|--|
| | United States | | | Other foreign countries | | | All foreign countries | | | |
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 | |
| Export sales | 899.8 | 944.4 | 1,025.2 | 835.8 | 985.0 | 1,013.6 | 1,735.7 | 1,929.4 | 2,038.8 | |
| Merchandise imports | 1,097.7 | 1,108.8 | 1,175.5 | 176.1 | 201.4 | 188.8 | 1,273.8 | 1,310.2 | 1,364.4 | |
| Capital equipment imported | 80.7 | 115.3 | 66.5 | 9.2 | 11.3 | 7.2 | 89.8 | 126.6 | 73.7 | |
| Total import trade | 1,178.4 | 1,224.1 | 1,242.0 | 185.3 | 212.8 | 196.0 | 1,363.6 | 1,436.9 | 1,438.1 | |
| Balance on merchandise trade | -278.6 | -279.7 | 216.9 | 650.5 | 772.2 | 817.6 | 372.0 | 492.5 | 600.7 | |
| Other current receipts | 11.1 | 13.1 | 15.0 | 10.1 | 10.6 | 7.6 | 21.2 | 23.8 | 22.5 | |
| Dividends paid | 8.8 | 8.4 | 19.1 | 4.0 | 5.8 | 3.8 | 12.8 | 14.2 | 23.0 | |
| Other current payments | 122.7 | 116.4 | 111.5 | 15.4 | 12.4 | 13.2 | 138.2 | 128.8 | 124.7 | |
| Total other current payments | 131.5 | 124.9 | 130.7 | 19.4 | 18.2 | 17.0 | 151.0 | 143.1 | 147.6 | |
| Balance on non-merchandise transactions | -120.4 | -111.7 | -115.7 | -9.4 | -7.6 | -9.4 | -129.8 | -119.3 | -125.1 | |
| Total receipts | 911.0 | 957.5 | 1,040.1 | 845.9 | 995.7 | 1,021.2 | 1,756.8 | 1,953.2 | 2,061.3 | |
| Total payments | 1,309.8 | 1,349.0 | 1,372.7 | 204.7 | 231.0 | 213.0 | 1,514.6 | 1,580.0 | 1,585.7 | |
| Current account balance | -398.9 | -391.4 | -332.6 | 641.2 | 764.7 | 808.2 | 242.3 | 373.2 | 475.6 | |

TABLE 5. — Summary of Current International Non-merchandise Transactions, All Reporting Corporations, by Industry, Annually, 1969 to 1971

| Industry | Receipts from abroad | | | Payments made abroad | | | Payments abroad as a percentage of total income | | |
|---|-------------------------------|-----------|------------|----------------------|------------|--------------|---|------------|------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| | <i>In millions of dollars</i> | | | | | | <i>In percentages</i> | | |
| Mining and primary metals | 9 | 4 | 8 | 53 | 56 | 31 | 5.2 | 5.2 | 2.8 |
| Gas and oil | 28 | 32 | 48 | 224 | 219 | 334 | 5.2 | 4.7 | 6.2 |
| Machinery and metal fabricating | 2 | 3 | 6 | 93 | 79 | 101 | 5.3 | 4.2 | 4.7 |
| Transportation equipment | 23 | 26 | 40 | 160 | 218 | 225 | 2.5 | 3.9 | 3.2 |
| Electrical products | 1 | 1 | 5 | 44 | 37 | 39 | 2.9 | 2.4 | 2.4 |
| Chemical products | 6 | 5 | 3 | 69 | 63 | 66 | 4.2 | 3.7 | 3.8 |
| Food and beverage | 3 | 2 | 2 | 35 | 50 | 66 | 1.8 | 2.4 | 2.9 |
| Pulp and paper | 12 | 3 | 7 | 64 | 81 | 89 | 3.8 | 4.9 | 5.3 |
| Other manufacturing | 7 | 8 | 4 | 42 | 49 | 48 | 2.7 | 3.1 | 2.9 |
| Wholesale trade | 1 | 1 | 1 | 11 | 10 | 9 | 1.0 | 0.8 | 0.6 |
| Other non-manufacturing | 1 | 2 | 1 | 44 | 33 | 49 | 1.9 | 1.4 | 1.7 |
| Total | 93 | 88 | 125 | 839 | 895 | 1,059 | 3.4 | 3.5 | 3.7 |

Note: Dividends are included in both receipts and payments.

SECTION 3. — FINANCING

The Major Sources of Financing for the Reporting Corporations, 1965 to 1971:

The reporting corporations obtained funds for financing purposes from both internal and external sources during the 1965 to 1971 period. Such funds are required to cover plant expansion, the purchase of new equipment, the modernization of existing production facilities, the build-up of inventories and the extension of credit. Major sources of the internally-generated funds were earnings retained in the business after payment of income taxes and dividends, if any, as well as business reserves comprising allowances for depreciation, depletion and similar purposes. The funds obtained externally came from commercial borrowings and the sale of equity to outside investors.

The total funds available from all sources for financing amounted to about \$2 billion in each of the first three years in the 1965 to 1971 period, falling to \$1½ billion in 1968, recovering to about \$2 billion in 1969 and then easing off to \$1.9 billion in 1970 and \$1.8 billion in 1971. 'New' funds, that is, current retained earnings and the net funds from borrowing and the sale of equity, comprised more than one half of the total funds available for financing

in the first three years of the period and again in 1969, while in the other three years in the period, depreciation and similar reserves accounted for the major portions. This latter source was especially important in 1968, when it accounted for \$975 million, or 64 per cent of the \$1½ billion total.

The contributions of the two major components of total 'new' financing funds varied over the period, current retained earnings fluctuating within the range of \$661 million in 1969 to \$396 million in 1970, and net funds from borrowing and sale of equity externally, reversing from a positive \$780 million in 1965 to a disinvestment of \$91 million in 1968.

Depreciation and similar reserves amounted to \$828 million in 1965 and rose modestly each year thereafter, reaching a level of \$1.2 billion in 1971. As a result, despite the fluctuations in current retained earnings, the total funds generated internally by the respondents tended to increase in importance over the period, being successively larger each year to 1969 and recovering from the decline in 1970 to reach a peak of some \$1¾ billion in 1971.

As Summary Table 21 shows, major changes took place in both the geographical origins and the sources of the net

SUMMARY TABLE 20 — Financing, All Reporting Corporations, by Major Sources, Annually, 1965 to 1971

In millions of dollars

| Item | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|--|-------|-------|-------|-------|-------|-------|-------|
| Current retained earnings | 420 | 451 | 514 | 633 | 661 | 396 | 599 |
| Net funds from borrowing and sale of equity | 780 | 734 | 677 | -91 | 353 | 418 | 46 |
| Total new financing | 1,200 | 1,185 | 1,191 | 542 | 1,013 | 813 | 645 |
| Depreciation and similar reserves | 828 | 831 | 906 | 975 | 981 | 1,108 | 1,166 |
| Total funds available | 2,028 | 2,016 | 2,097 | 1,517 | 1,995 | 1,921 | 1,811 |
| Net external funds | -780 | -734 | -677 | 91 | -353 | -418 | 46 |
| Funds generated internally by the respondents. | 1,248 | 1,282 | 1,420 | 1,608 | 1,642 | 1,503 | 1,765 |

Note: Totals and sub-totals throughout this publication may not add or subtract exactly, due to rounding.

external funds available to the respondents for financing purposes during the 1965 to 1971 period. In the first three years of this period, and again in the last two, investors in the United States — parents and affiliates in particular — were important contributors to the net external funds available to finance the operations of the reporting corporations. In 1965, the total such funds supplied by investors in the United States was \$557 million; this fell to \$449

million in 1966 and to \$220 million in 1967, while in 1968 there was a disinvestment of \$205 million; this was followed by positive contributions of \$89 million in 1969, \$145 million in 1970 and \$107 million in 1971. Funds supplied by related companies in the United States followed a similar course, contributing \$410 million in 1965, \$342 million in 1966 and \$222 million in 1967, succeeded by a disinvestment of \$224 million in 1968, a positive

investment of \$3 million in 1969, of \$176 million in 1970 and of \$174 million in 1971. Sources in Canada, mainly unrelated to the respondents, provided \$220 million in 1965, \$268 million in 1966 and \$446 million in 1967; Canadian sources were responsible for almost two thirds of the total net external financing funds of the respondents in 1967. The net funds obtained from sources in Canada fell to \$77 million in 1968, rose to \$273 million in 1969 and to \$197 million in 1970, but declined in 1971 with a disinvestment of \$44 million. This latter was entirely due to a decline in the level of bank loans outstanding as repayments exceeded new borrowings by \$142 million.

In spite of the wide year-to-year fluctuations in both net totals and their geographical origins occurring in the 1965 to 1971 period, two developments seem to be indicated in the net external financing operations of the reporting corporations. These are the trend of the respondents to rely less on external sources for financing needs and a renewal of the tendency to depend upon related companies for the external financing they seek. Thus, net external funds accounted for a generally declining proportion of the total financing funds available to the respondents during this period, i.e., 1965 – 38½ per cent; 1966 – 36.4 per cent; 1967 – 32.3 per cent; 1969 – 17.7

SUMMARY TABLE 21. – Geographical Origins and Sources of Net External Funds, All Reporting Corporations, Annually, 1965 to 1971

In millions of dollars

| Geographical origin and item | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|---|------|------|------|------|------|------|------|
| <i>United States:</i> | | | | | | | |
| –From parents and affiliates: | | | | | | | |
| Advances and receivables | 314 | 276 | 61 | –289 | –210 | 82 | 1 |
| Sale of equity | 96 | 66 | 161 | 65 | 213 | 94 | 173 |
| Sub-total | 410 | 342 | 222 | –224 | 3 | 176 | 174 |
| –From other than parents and affiliates: | | | | | | | |
| Foreign bank loans | 51 | –14 | –18 | –25 | –28 | –33 | –28 |
| Other short-term loans | –1 | –1 | – | –3 | – | – | 10 |
| Bonds and debentures | 66 | 67 | 46 | 8 | 91 | –24 | –14 |
| Other long-term debt | 34 | 55 | –34 | 32 | –10 | 4 | –24 |
| Sale of equity | –3 | – | 4 | 7 | 32 | 21 | –10 |
| Sub-total | 147 | 107 | –2 | 19 | 86 | –32 | –66 |
| –Total funds from the United States | 557 | 449 | 220 | –205 | 89 | 145 | 107 |
| <i>Other foreign countries:</i> | | | | | | | |
| –From parents and affiliates: | | | | | | | |
| Advances and receivables | –2 | –19 | –14 | 34 | –82 | 35 | –10 |
| Sale of equity | 8 | 31 | 22 | 15 | 41 | –14 | –2 |
| Sub-total | 6 | 12 | 8 | 49 | –41 | 21 | –12 |
| –From other than parents and affiliates: | | | | | | | |
| Foreign bank loans | –2 | 2 | –1 | – | 7 | 10 | –4 |
| Other short-term loans | – | – | – | – | 10 | – | 9 |
| Bonds and debentures | – | 8 | 7 | –16 | – | – | – |
| Other long-term debt | – | 1 | 1 | 5 | 10 | 53 | –4 |
| Sale of equity | –1 | –6 | –4 | –1 | 5 | –8 | –5 |
| Sub-total | –3 | 5 | 3 | –12 | 32 | 55 | –4 |
| –Total funds from other foreign countries | 3 | 17 | 11 | 37 | –9 | 76 | –17 |

SUMMARY TABLE 21 (cont'd)

| Geographical origin and item | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|--|------|------|------|------|------|------|------|
| <i>Canada:</i> | | | | | | | |
| From affiliates: | | | | | | | |
| Advances and receivables | 40 | -10 | 4 | 5 | 5 | 21 | 33 |
| Sale of equity | - | -1 | 28 | -6 | - | 3 | 7 |
| Sub-total | 40 | -11 | 32 | -1 | 5 | 24 | 40 |
| From other than affiliates: | | | | | | | |
| Bank loans | 148 | 211 | 253 | -12 | 204 | -34 | -142 |
| Other short-term loans | -21 | 28 | -12 | 37 | 81 | 161 | 9 |
| Bonds and debentures | -2 | 27 | 85 | 53 | 3 | 31 | 9 |
| Other long-term debt | 17 | 8 | 34 | 16 | -3 | 20 | 34 |
| Sale of equity | 38 | 5 | 54 | -16 | -17 | -4 | 6 |
| Sub-total | 180 | 279 | 414 | 78 | 268 | 174 | -84 |
| -Total funds from Canada | 220 | 268 | 446 | 77 | 273 | 197 | -44 |
| <i>All countries:</i> | | | | | | | |
| -From parents and affiliates: | | | | | | | |
| Advances and receivables | 352 | 247 | 51 | -250 | -287 | 138 | 24 |
| Sale of equity | 104 | 96 | 211 | 74 | 254 | 83 | 178 |
| Sub-total | 456 | 343 | 262 | -176 | -33 | 221 | 202 |
| -From other than parents and affiliates: | | | | | | | |
| Bank loans | 197 | 199 | 234 | -37 | 183 | -58 | -175 |
| Other short-term loans | -22 | 27 | -12 | 34 | 91 | 161 | 28 |
| Bonds and debentures | 64 | 102 | 138 | 45 | 94 | 7 | -5 |
| Other long-term debt | 51 | 64 | 1 | 53 | -3 | 78 | 6 |
| Sale of equity | 34 | -1 | 54 | -10 | 20 | 8 | -10 |
| Sub-total | 324 | 391 | 415 | 85 | 386 | 196 | -156 |
| -Total from all countries | 780 | 734 | 677 | -91 | 353 | 418 | 46 |

per cent; 1970 - 21.8 per cent; and 1971 - 2½ per cent. In 1968, the other year in the period, repayments exceeded the new external debits incurred and the outstanding total declined \$91 million from its 1967 level. The apparent return to heavier reliance upon related foreign companies for the external financing required by the respondents is discussed in detail below.

The extent to which the respondents relied upon affiliates for their external financing needs varied widely over the 1965 to 1971 period, declining in both absolute and relative terms in the first three years, becoming a

negative factor in 1968 and continuing so in 1969, but at a much reduced level, and recovering and becoming a positive factor in 1970 and 1971. Associated companies contributed to their Canadian affiliates' financing in the amount of \$456 million in 1965, \$343 million in 1966, \$262 million in 1967, reduced their liabilities from subsidiaries by \$176 million in 1968 and by a further \$33 million in 1969, then upped such liabilities by \$221 million in 1970 and by an additional \$202 million in 1971. Net external funds coming from affiliates accounted for the following shares of the total funds available for financing in the years in which this

source was a positive supplier; in 1965 — 58½ per cent, in 1966 — 46.7 per cent, 1967 — 38.7 per cent and 1970 — 52.9 per cent. In 1971, the \$202 million supplied by affiliates was sufficient to offset the \$156 million decline in funds from non-affiliated sources to yield an overall increase in the total funds from external sources of \$46 million. The main factor in the 1968 disinvestment was a reduction in the external liabilities to associates in the United States by respondents in the transportation equipment and the mining and primary metals industries which amounted to \$150 million and \$113 million, respectively. In 1969, a net outflow from adverse balances incurred in financing transactions with affiliates in foreign countries other than the United States by respondents in the gas and oil group was the chief reason for the drop in liabilities due affiliated companies abroad. In both 1968 and 1969 these reductions were in loans and advances by parents and affiliates.

The net funds from non-affiliated sources amounted to \$324 million in 1965, \$391 million in 1966, \$415 million in 1967, \$85 million in 1968, \$386 million in 1969 and \$196 million in 1970. However, in 1971 the respondents' total liabilities to other than parents and affiliates declined by \$156 million from the level of 1970 but this drop, as mentioned above, was more than compensated for by the \$202 million in funds obtained from affiliates. The major sources of financing in the first three years of the period were bank loans and bonds and debentures with the former amounting to \$197 million, \$199 million and \$234 million, respectively, and the latter to \$64 million, \$102 million and \$138 million, in that order. In 1968, other long-term debts increased by \$53 million, bonds and debentures rose by \$45 million and other short-term loans advanced by \$34 million; these rises more than offset the declines of \$37 million in bank loans and \$10 million in the sale of equity. Bank loans led the increases in 1969, being up \$183 million, followed by bonds and debentures, other short-term loans and sale of equity which recorded gains of \$94 million, \$91 million and \$20 million, in that order; there was a \$3 million fall in other long-term debt. The two major positive items in 1970 were other short-term loans, up \$161 million, and other long-term debts, up \$78 million, while much smaller advances are shown for sale of equity and for bonds and debentures; the only decline was the \$58 million fall in bank loans outstanding. In 1971, only two items show increases: other short-term loans, up \$28 million, and other long-term debt, higher by \$6 million; these advances were much more than counter-balanced by the declines shown in bank loans, \$175 million, sale of equity, \$10 million and bonds and debentures, down \$5 million.

The means employed by the respondents to raise funds externally during the 1965 to 1971 period varied considerably from year to year as did the different geographical areas from which the funds were drawn. Most of the external funds raised in the United States involved

transactions with parents and affiliates in that country, in the form of advances and receivables in 1965 and 1966 and as proceeds from the sale of equity in the other years in the period; fairly sizable sums were also obtained in the United States throughout the period from non-affiliated sources in the form of bonds and debentures in 1965, 1966, 1967 and 1969, as other long-term debt in 1965, 1966 and 1968 and from the sale of equity to non-related investors in 1969 and 1970. In the case of Canada, the more important sources of financing were bank loans in 1965, 1966, 1967 and 1969, bonds and debentures in 1966, 1967, 1968 and 1970 and other long-term debt in 1967, 1970 and 1971; significant contributions were made also by the sale of equity to non-affiliated investors in 1965 and 1967 and by advances to and receivables due from affiliates in 1965, 1970 and 1971.

Financing by the Reporting Corporations, 1969 to 1971:

The current savings and their two components, current retained earnings and funds set aside annually for depreciation, depletion and similar purposes, are shown by individual industry groups in Table 6 at the end of this section. This Table shows that the total current savings of the respondents in aggregate increased each year in the period with the exception of 1970, those of the individual industry groupings fluctuated fairly widely from year to year and the propensity to save varied considerably according to the industry concerned. The current savings of all the respondents taken together amounted to some \$1.6 billion in 1969, declined to just over \$1½ billion in 1970 and then rose to almost \$1.8 billion in 1971, the highest figure in the entire 1965 to 1971 period. In all three years, the allowances set aside for depreciation and similar purposes exceeded the earnings retained in the business; these allowances amounted to \$981 million in 1969, \$1.1 billion in 1970 and to about \$1.2 billion in 1971 and comprised about three fifths of the total of the first year, almost three quarters of the second year's aggregate and about two thirds of the 1971 figure.

In all three years in the period the gas and oil industry had the largest current savings of the 11 industry groups, with \$410 million in 1969, \$518 million in 1970 and \$516 million in 1971. The transportation equipment industry ranked second in this regard in both 1969 and 1971 with savings of \$322 million and \$314 million, respectively. In 1970, the machinery and metal fabricating class displaced the transportation equipment industry in the second spot, with current savings of \$155 million compared with \$152 million for respondents in the transportation equipment business. The sharp fall in the savings of the transportation equipment group in 1970, compared with 1969 and 1971, was due mainly to its dividend payments in that year exceeding the net profits it earned by \$18 million, as the amount set aside to cover depreciation and similar charges was maintained at a high level. The fall in this industry's

current savings, in turn, was largely due to the costly strikes in the very important automobile manufacturing sector which have been referred to earlier. The wholesale trade industry reported the lowest yearly savings throughout the period, i.e., \$17 million in 1969, \$11 million in 1970 and \$25 million in 1971. Only four industries had successively higher savings in each year in the period: machinery and metal fabricating, chemical products, electrical products and other non-manufacturing. Another four show larger savings at the end of the period than at its beginning: mining and primary metals, gas and oil, wholesale trade and other manufacturing. Two industries had smaller current savings each year in the period: the savings of the food and beverage group fell successively from \$87 million in 1969 to \$86 million in 1970 and to \$80 million in 1971 while those of pulp and paper producers declined from \$162 million to \$99 million and to \$67 million, respectively. The other industry with lower savings in 1971 than 1969 was the transportation equipment class which reported savings of \$314 million in the latter year versus \$322 million in the earlier one.

Depreciation and similar reserves were the more

important source of the respondents' current savings for most industry groups during the 1969 to 1971 period. This applies to nine of the 11 groups in all three years in this period, the exceptions being the food and beverage and the other non-manufacturing classes in both 1969 and 1970 and the wholesale trade and the other non-manufacturing classifications in 1971.

Summary Table 22 shows the funds available to the respondents for financing purposes during the 1969 to 1971 period by their two major components, current savings and net external funds. In all three years, current savings provided the great bulk of the totals; \$1.6 billion of the total of \$2 billion in 1969, \$1½ billion of the 1970 total of \$1.9 billion and all but \$46 million of the 1971 total of some \$1¾ billion. Only one industry relied upon external sources for more than \$100 million of its annual financing needs during the period; this was the gas and oil group which raised external funds in the amounts of \$122 million in 1969, \$171 million in 1970 and \$124 million in 1971; but even in this case, these amounts were only equivalent to 23, 25 and 19 per cent of the total funds available for financing purposes in these years.

SUMMARY TABLE 22. — Current Savings and Net External Funds, All Reporting Corporations, Annually, 1969 to 1971

In millions of dollars

| Industry | 1969 | | | 1970 | | | 1971 | | |
|--------------------------------------|-----------------|--------------------|--------------|-----------------|--------------------|--------------|-----------------|--------------------|--------------|
| | Current savings | Net external funds | Total | Current savings | Net external funds | Total | Current savings | Net external funds | Total |
| Mining and primary metals..... | 119 | -49 | 70 | 117 | -62 | 55 | 152 | -5 | 147 |
| Gas and oil..... | 410 | 122 | 532 | 518 | 171 | 689 | 516 | 124 | 640 |
| Machinery and metal fabricating..... | 144 | 60 | 204 | 155 | 12 | 167 | 172 | 21 | 193 |
| Transportation equipment..... | 322 | 13 | 335 | 152 | 70 | 222 | 314 | -163 | 151 |
| Electrical products..... | 67 | 50 | 117 | 73 | 30 | 103 | 83 | -44 | 39 |
| Chemical products..... | 113 | 23 | 136 | 119 | 30 | 149 | 139 | 32 | 171 |
| Food and beverage..... | 87 | 9 | 96 | 86 | 26 | 112 | 80 | 16 | 96 |
| Pulp and paper..... | 162 | 44 | 206 | 99 | 64 | 163 | 67 | 85 | 152 |
| Other manufacturing..... | 112 | 13 | 125 | 82 | 50 | 132 | 116 | -74 | 42 |
| Wholesale trade..... | 17 | 29 | 46 | 11 | -6 | 5 | 25 | 22 | 47 |
| Other non-manufacturing..... | 89 | 39 | 128 | 91 | 35 | 126 | 100 | 31 | 131 |
| Total..... | 1,642 | 353 | 1,995 | 1,503 | 418 | 1,921 | 1,765 | 46 | 1,811 |

Investment in Foreign and Domestic Affiliates, 1969 to 1971:

The financial stake of the reporting corporations in associated companies continued to grow during the 1969 to 1971 period, the cumulative total invested in related companies abroad and at home rising from about \$1.4 billion at the end of 1969 to more than \$1½ billion one year later and to almost \$1.7 billion at the close of 1971. The investment of the respondents in all three of the geographical areas for which data are collected followed this pattern. Investment in related companies in the United States advanced from \$434 million at the end of 1969 to \$557 million at the end of December 1970 and amounted to \$630 million at the close of 1971. The respondents' financial interests in associated firms in foreign countries other than the United States grew from \$257 million at the end of 1969 to \$277 million a year later and totalled \$282 million at the end of 1971. Investment in affiliates in Canada increased during the period also, the yearly rises being somewhat less than those shown in the case of United States affiliates but considerably more than those reported for other foreign countries. Thus, the total due from and invested in related companies in Canada advanced from \$684 million in 1969 to \$720 million in 1970 and amounted to \$778 million at the end of 1971. The increases between the end of 1969 and the close of 1971 totalled \$196 million in the case of parents and affiliates located in the United States, \$25 million for those domiciled in foreign countries other than the United States and \$94 million for those in business in Canada. As a result of these different growth rates, the proportion of the total due from and invested in all related companies everywhere grew from 31.6 per cent in 1969 to 37.3 per cent in 1971 for the United States affiliates, while the share of the total devoted to related companies in both other foreign countries and Canada declined, falling from 18.7 to 16.7

per cent for the former and from 49.7 to 46 per cent for the latter.

As Summary Table 23 shows, both the two types of investment in parents and affiliates increased each year in the period for all three geographical areas and the larger gain in all instances was in the 'advances to and receivables due' component. Thus, while investment in the form of share purchasing did rise from \$574 million in 1969 to \$636 million in 1971 or by \$62 million, advances to and receivables due from parents and associates in all countries advanced by \$254 million, about four times as much. This pattern held for all three geographical areas also; for parents and affiliates in the United States, the gains were \$32 million in share purchases and \$64 million in the advances and receivables portion; for affiliates in other foreign countries, the rises were \$4 million and \$22 million, respectively; and for related Canadian companies, the distribution of the period increase was \$27 million for the share purchase portion and \$67 million for the advances and receivables component. As a result of this increased preference of the respondents for the 'advances and receivables due' type of investment in related companies, at the period's end, the share of respondents' total investment in associated companies in the form of share holding was down to 37.6 per cent in 1971 compared with 41.7 per cent in 1969. This decline was due to decreases in the proportion of their total investment in associates in foreign countries other than the United States and in Canada. The respondents' investment in shares of parents and affiliates in the United States increased from 11½ per cent of the total in 1969 to 13 per cent of the total in 1971 while share holding as a proportion of total investment fell from 52.9 per cent to 49.6 per cent over the period in the case of related companies in countries other than the United States and Canada, and from 56.6 per cent to 53.2 per cent in the case of affiliates in Canada.

SUMMARY TABLE 23. — Investments in Parents and Affiliates in the United States, in Other Foreign Countries, in All Foreign Countries, in Canada and in All Countries, All Reporting Corporations, Annually, 1969 to 1971

In millions of dollars

| Country and type of investment | 1969 | 1970 | 1971 |
|---|-------|-------|-------|
| <i>United States:</i> | | | |
| Purchases of shares in affiliates | 50 | 78 | 82 |
| Advances to and receivables due from parents and affiliates | 384 | 479 | 548 |
| Total due from or invested in parents and affiliates | 434 | 557 | 630 |
| <i>Other foreign countries:</i> | | | |
| Purchases of shares in affiliates | 136 | 134 | 140 |
| Advances to and receivables due from parents and affiliates | 120 | 143 | 142 |
| Total due from or invested in parents and affiliates | 257 | 277 | 282 |
| <i>All foreign countries:</i> | | | |
| Purchases of shares in affiliates | 187 | 212 | 222 |
| Advances to and receivables due from parents and affiliates | 504 | 622 | 690 |
| Total due from or invested in parents and affiliates | 691 | 834 | 912 |
| <i>Canada:</i> | | | |
| Purchases of shares in affiliates | 387 | 373 | 414 |
| Advances to and receivables due from parents and affiliates | 297 | 347 | 364 |
| Total due from or invested in parents and affiliates | 684 | 720 | 778 |
| <i>All countries:</i> | | | |
| Purchases of shares in affiliates | 574 | 585 | 636 |
| Advances to and receivables due from parents and affiliates | 801 | 970 | 1,055 |
| Total due from or invested in parents and affiliates | 1,375 | 1,555 | 1,691 |

Quarterly Data on Selected Liabilities and Paid-in Capital, 1969 to 1971:

The survey covers certain selected balance-sheet information collected on a quarterly basis as well as the comprehensive operating data given in the respondents' annual returns. The quarterly information comprises amounts outstanding at the end of the quarter: bank loans, debts owed parents and affiliates, short-term loans and other long-term debts as well as the total paid-in capital held by related companies and by non-associated investors. The data are classified by the same three geographical areas used elsewhere in this report, i.e., the United States, other foreign countries and Canada. These balance-sheet figures are shown in aggregate terms for these geographical areas in Summary Table 24 for the end of each quarter for three years, 1969, 1970 and 1971, and are given by type of liability for each fourth quarter of these years in Table 8 at the end of this section.

The aggregate of the liabilities and paid-in capital of

the reporting corporations amounted to about \$9.7 billion at the end of 1971, \$922 million or 10.6 per cent more than at the end of the first quarter of 1969. While the total was higher in each of the three geographical areas used at the end of this period than at its beginning, the major gains took place in the holdings of residents of the United States and residents of Canada, the increase for the former being \$454 million or 10.9 per cent and the gain for the latter being \$432 million or 15 per cent. The rise in the total held by residents of foreign countries other than the United States was only \$36 million or 2.1 per cent. As a result of these different rates of increase, the proportion of the total liabilities and paid-in capital due to or held by residents of the United States increased fractionally over the period from 47.8 per cent of the 1969 total to 47.9 per cent of the 1971 figure; the share held by residents of Canada grew from 33 to 34.3 per cent over the period and the proportion held by residents of foreign countries, excluding the United States, declined from 19.3 per cent at March 31, 1969 to 17.8 per cent at December 31, 1971.

SUMMARY TABLE 24. — Selected Liabilities and Paid-in Capital Balances with Residents of the United States, of Other Foreign Countries, of Canada and of All Countries, All Reporting Corporations, by Quarters, 1969 to 1971

In millions of dollars

| Year and quarter | with residents of | | | | | | | |
|--------------------------|-------------------|------------------------------|-------------------------|------------------------------|--------|------------------------------|---------------|------------------------------|
| | United States | | Other foreign countries | | Canada | | All Countries | |
| | Total | Change from previous quarter | Total | Change from previous quarter | Total | Change from previous quarter | Total | Change from previous quarter |
| <i>1969</i> | | | | | | | | |
| First quarter | 4,171 | -113 | 1,683 | 13 | 2,880 | -6 | 8,733 | -106 |
| Second quarter | 4,194 | 23 | 1,683 | — | 2,956 | 76 | 8,832 | 99 |
| Third quarter | 4,315 | 121 | 1,687 | 4 | 3,038 | 82 | 9,040 | 208 |
| Fourth quarter | 4,372 | 57 | 1,661 | -26 | 3,159 | 121 | 9,192 | 152 |
| <i>1970</i> | | | | | | | | |
| First quarter | 4,328 | -44 | 1,686 | 25 | 3,285 | 126 | 9,300 | 108 |
| Second quarter | 4,438 | 110 | 1,689 | 3 | 3,292 | 7 | 9,419 | 119 |
| Third quarter | 4,525 | 87 | 1,723 | 34 | 3,405 | 113 | 9,653 | 234 |
| Fourth quarter | 4,517 | -8 | 1,736 | 13 | 3,356 | -49 | 9,610 | -43 |
| <i>1971</i> | | | | | | | | |
| First quarter | 4,624 | 107 | 1,735 | -1 | 3,269 | -87 | 9,628 | 18 |
| Second quarter | 4,483 | -141 | 1,747 | 12 | 3,258 | -11 | 9,488 | -140 |
| Third quarter | 4,548 | 65 | 1,783 | 36 | 3,309 | 51 | 9,640 | 152 |
| Fourth quarter | 4,625 | 77 | 1,719 | -64 | 3,312 | 3 | 9,655 | 15 |

TABLE 6. — Current Savings, All Reporting Corporations, by Industry, Annually, 1969 to 1971

| Industry | 1969 | | | | | 1970 | | | | | 1971 | | | | |
|--------------------------------------|---------------------------------|---|--------------------|---------------------------------|---|--------------------|---------------------------------|---|--------------------|---------------------------------|---|--------------------|---------------------------------|---|--------------------|
| | Current retained earnings | Depreciation and similar reserves | Current savings | Current retained earnings | Depreciation and similar reserves | Current savings | Current retained earnings | Depreciation and similar reserves | Current savings | Current retained earnings | Depreciation and similar reserves | Current savings | Current retained earnings | Depreciation and similar reserves | Current savings |
| Mining and primary metals..... | 41 | 78 | 119 | 33 | 84 | 117 | 59 | 92 | 152 | | | | | | |
| Gas and oil..... | 139 | 271 | 410 | 204 | 314 | 518 | 186 | 329 | 516 | | | | | | |
| Machinery and metal fabricating..... | 46 | 98 | 144 | 49 | 106 | 155 | 56 | 115 | 172 | | | | | | |
| Transportation equipment..... | 156 | 166 | 322 | -18 | 170 | 152 | 122 | 192 | 314 | | | | | | |
| Electrical products..... | 19 | 48 | 67 | 13 | 60 | 73 | 29 | 54 | 83 | | | | | | |
| Chemical products..... | 34 | 79 | 113 | 35 | 84 | 119 | 30 | 109 | 139 | | | | | | |
| Food and beverage..... | 51 | 36 | 87 | 47 | 39 | 86 | 37 | 43 | 80 | | | | | | |
| Pulp and paper..... | 68 | 94 | 162 | - | 100 | 99 | -41 | 108 | 67 | | | | | | |
| Other manufacturing..... | 49 | 63 | 112 | -16 | 98 | 82 | 45 | 71 | 116 | | | | | | |
| Wholesale trade..... | 6 | 11 | 17 | 3 | 7 | 11 | 17 | 8 | 25 | | | | | | |
| Other non-manufacturing..... | 52 | 37 | 89 | 46 | 45 | 91 | 58 | 42 | 100 | | | | | | |
| Total | 661 | 981 | 1,642 | 396 | 1,108 | 1,503 | 599 | 1,166 | 1,765 | | | | | | |

TABLE 7. — Sources and Geographical Origins of Net External Funds, All Reporting Corporations, 1970 and 1971

In millions of dollars

| Year and source of financing | From the United States | From other foreign countries | From all foreign countries | From Canada | From all countries |
|---|------------------------------|------------------------------------|----------------------------------|----------------|--------------------------|
| <i>1970</i> | | | | | |
| From parents and affiliates: | | | | | |
| Loans, advances and other credits | 82 | 35 | 117 | 21 | 138 |
| Investment in equity | 94 | -14 | 80 | 3 | 83 |
| Sub-total | 176 | 21 | 197 | 24 | 221 |
| From other sources: | | | | | |
| Loans and other credits | -53 | 63 | 10 | 178 | 188 |
| Investment in equity | 21 | -8 | 13 | -4 | 8 |
| Sub-total | -32 | 55 | 23 | 174 | 196 |
| Total | 145 | 76 | 221 | 197 | 418 |
| <i>1971</i> | | | | | |
| From parents and affiliates: | | | | | |
| Loans, advances and other credits | 1 | -10 | -9 | 33 | 24 |
| Investment in equity | 173 | -2 | 171 | 7 | 178 |
| Sub-total | 174 | -12 | 162 | 40 | 202 |
| From other sources: | | | | | |
| Loans and other credits | -56 | 1 | -55 | -90 | -146 |
| Investment in equity | -10 | -5 | -15 | 6 | -10 |
| Sub-total | -66 | -4 | -70 | -84 | -156 |
| Total | 107 | -17 | 90 | -44 | 46 |

Note: Figures shown are changes between the ends of the calendar years 1969 to 1971 and represent the *net* financing during the years 1970 and 1971.

TABLE 8. – Selected Liabilities Owing to, and Paid-in Capital Paid by Residents of the United States, of Other Foreign Countries, of All Foreign Countries, of Canada and of All Countries, All Reporting Corporations, Year-ends, 1969 to 1971

In millions of dollars

| Types of liability owing | Amount owing or due | | | Change from | |
|--|---------------------|----------------|----------------|--------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 |
| <i>Residents of the United States</i> | | | | | |
| Canadian chartered bank loans..... | 8.8 | 4.3 | 2.5 | -4.5 | -1.8 |
| Foreign bank loans..... | 117.9 | 89.0 | 62.8 | -28.9 | -26.2 |
| Due to parents and affiliates..... | 1,402.9 | 1,485.1 | 1,486.0 | 82.2 | 0.9 |
| Short-term loans..... | 0.6 | 0.7 | 10.6 | 0.1 | 9.9 |
| Bonds and debentures..... | 448.6 | 425.0 | 411.0 | -23.6 | -14.0 |
| Other long-term debt..... | 190.4 | 194.9 | 170.8 | 4.5 | -24.1 |
| Paid-in capital by parents and affiliates..... | 2,086.0 | 2,180.2 | 2,353.4 | 94.2 | 173.2 |
| Paid-in capital by others..... | 117.4 | 138.0 | 127.5 | 20.6 | -10.5 |
| Total..... | 4,372.6 | 4,517.3 | 4,624.7 | 144.7 | 107.4 |
| <i>Residents of other foreign countries</i> | | | | | |
| Canadian chartered bank loans..... | 2.1 | 0.1 | — | -2.0 | -0.1 |
| Foreign bank loans..... | 11.9 | 24.2 | 19.8 | 12.3 | -4.4 |
| Due to parents and affiliates..... | 478.6 | 513.5 | 503.6 | 34.9 | -9.9 |
| Short-term loans..... | 10.0 | 10.0 | 19.0 | — | 9.0 |
| Bonds and debentures..... | 0.1 | 0.1 | — | — | -0.1 |
| Other long-term debt..... | 16.5 | 69.5 | 65.0 | 53.0 | -4.5 |
| Paid-in capital by parents and affiliates..... | 1,078.9 | 1,064.6 | 1,062.1 | -14.3 | -2.5 |
| Paid-in capital by others..... | 62.5 | 54.4 | 49.5 | -8.1 | -4.9 |
| Total..... | 1,660.6 | 1,736.4 | 1,719.1 | 75.8 | -17.3 |
| <i>Residents of all foreign countries</i> | | | | | |
| Canadian chartered bank loans..... | 10.9 | 4.4 | 2.5 | -6.5 | -1.9 |
| Foreign bank loans..... | 129.8 | 113.2 | 82.5 | -16.6 | -30.7 |
| Due to parents and affiliates..... | 1,881.5 | 1,998.6 | 1,989.6 | 117.1 | -9.0 |
| Short-term loans..... | 10.6 | 10.8 | 29.6 | 0.2 | 18.8 |
| Bonds and debentures..... | 448.7 | 425.0 | 411.0 | -23.7 | -14.0 |
| Other long-term debt..... | 206.9 | 264.4 | 235.8 | 57.5 | -28.6 |
| Paid-in capital by parents and affiliates..... | 3,164.9 | 3,244.8 | 3,415.6 | 79.9 | 170.8 |
| Paid-in capital by others..... | 179.9 | 192.4 | 177.0 | 12.5 | -15.4 |
| Total..... | 6,033.2 | 6,253.7 | 6,343.8 | 220.5 | 90.1 |
| <i>Residents of Canada</i> | | | | | |
| Canadian chartered bank loans..... | 1,160.7 | 1,126.3 | 984.0 | -34.4 | -142.3 |
| Foreign bank loans..... | — | — | — | — | — |
| Due to parents and affiliates..... | 142.7 | 163.9 | 196.9 | 21.2 | 33.0 |
| Short-term loans..... | 234.7 | 395.9 | 404.8 | 161.2 | 8.9 |
| Bonds and debentures..... | 850.3 | 881.3 | 890.0 | 31.0 | 8.7 |
| Other long-term debt..... | 189.5 | 209.7 | 244.0 | 20.2 | 34.3 |
| Paid-in capital by parents and affiliates..... | 23.1 | 25.9 | 33.1 | 2.8 | 7.2 |
| Paid-in capital by others..... | 557.7 | 553.2 | 558.8 | -4.5 | 5.6 |
| Total..... | 3,158.8 | 3,356.1 | 3,311.6 | 197.3 | -44.5 |

TABLE 8 (cont'd)

| Types of liability owing | Amount owing or due | | | Change from | |
|---|---------------------|----------------|----------------|--------------|-------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 |
| <i>Residents of all countries</i> | | | | | |
| Canadian chartered bank loans | 1,171.7 | 1,130.7 | 986.5 | -40.9 | -144.2 |
| Foreign bank loans | 129.8 | 113.2 | 82.5 | -16.6 | -30.7 |
| Due to parents and affiliates | 2,024.2 | 2,162.5 | 2,186.6 | 138.3 | 24.1 |
| Short-term loans | 245.3 | 406.7 | 434.4 | 161.4 | 27.7 |
| Bonds and debentures | 1,299.0 | 1,306.3 | 1,301.0 | 7.3 | -5.3 |
| Other long-term debt | 396.5 | 474.0 | 479.9 | 77.5 | 5.9 |
| Paid-in capital by parents and affiliates | 3,187.9 | 3,270.7 | 3,448.6 | 82.8 | 177.9 |
| Paid-in capital by others | 737.6 | 745.6 | 735.8 | 8.0 | -9.8 |
| Total | 9,192.0 | 9,609.8 | 9,655.4 | 417.8 | 45.6 |

SECTION 4. – TRANSACTIONS OF THE REPORTING CORPORATIONS BY COUNTRY OF CONTROL

Transactions by Country of Control, 1964 to 1971:

This section deals with the transactions of the respondents over the 1964 to 1971 period by country of control, i.e., United States, Britain and all foreign countries other than the United States and Britain.

The reporting corporations with parents in the United States accounted for the major portion of both the revenues and expenditures of all the participants in the guidelines survey throughout the whole 1964 to 1971 period. In addition, these respondents increased both their income and their expenditures much more over the period than did the affiliates of either British parents or of parents domiciled in other foreign countries. The revenues of the respondents controlled in the United States almost doubled over this seven-year period, rising from about \$12.9 billion in 1964 to just over \$25 billion in 1971 and their expenses more than kept pace, growing from about \$11.6 billion at the beginning of the period to close to \$23.1 billion at its end. The income accruing to respondents with British parents rose from around \$1.6 billion to some \$2.2 billion over the period while their outlays advanced from \$1½ billion to almost \$2.1 billion for gains of about two fifths in each case. Reporting corporations controlled in all other foreign countries had revenues of about \$1.1 billion in 1964 and of just over \$1½ billion in 1971 while their expenses increased from just under \$1 billion in the earlier year to about \$1.4 billion in the latter; these rises represented gains of 46 and 43 per cent, respectively. During this period, the rapid increases in the income and expenses of the subsidiaries controlled in the United States resulted in the higher relative importance of both these items in the transactions of all the respondents, their share rising from 83 to almost 87 per cent in the case of income and from about 82½ to almost 87 per cent for expenses. These gains in relative importance were made at the expense of both the respondents controlled in Britain and in other foreign countries. The shares of the total revenues and expenses accounted for by the British subsidiaries fell from 10.2 to 7.7 per cent in the case of the former and from 10.7 to 7.9 per cent for the latter over the period. Companies with parents in third countries were responsible

for 6.8 per cent of the total revenues in 1964 and 5.4 per cent in 1971, while their share of the total expenses dropped from 6.9 to 5.2 per cent between these years.

As implied above, the transactions of the companies with parents in the United States followed a more consistent pattern over the 1964 to 1971 period than did those controlled in either Britain or in other foreign countries. Both the income and expenditures of the respondents controlled in the United States increased each year in the period; in the case of the participants with British parents, both income and expenditures rose each year until 1967, both eased off in 1968, and both rose again in 1969 and increased each year thereafter in the period. In the case of the corporations controlled in third countries, income and expenditures showed year-over-year gains in 1965 and 1966, both declined moderately from the 1966 level in 1967, and both resumed their rising trends in 1968 and continued on them in 1969, 1970 and 1971. Over the period, expenses tended to increase more than income for both the respondents controlled in the United States and in Britain, i.e., by 99½ per cent compared with 94½ per cent for the United States-controlled companies, and by 39.9 per cent versus 39.7 per cent for the British-controlled participants. The reporting corporations with parents in foreign countries, other than the United States and Britain, increased their revenues over the period by 46.2 per cent while their expenses grew by only 43.3 per cent. For all the respondents, expenses rose by 89.3 per cent while income advanced by only 85½ per cent between 1964 and 1971.

Summary Table 26 shows the extent to which the corporations controlled in the three geographical areas for which data are available depended upon foreign markets for their sales and upon foreign sources for their purchases in each year from 1964 to 1971. For the period as a whole, the respondents of United States parents tended to increase the degree of their reliance upon foreign countries in regard to both sales and purchases, the proportion of their sales going to foreign markets rising each year in the period, except 1965, and standing at 26.9 per cent at the end of the period compared with 17½ per cent at its beginning; and the share of imports in their purchases rising each year until 1969, declining somewhat in 1970 and rising again in

SUMMARY TABLE 25. — Total Revenues and Total Expenses, All Reporting Corporations, by Country of Control, Annually, 1964 to 1971

In millions of dollars

| Corporations controlled in: | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| <i>United States:</i> | | | | | | | | |
| Total revenues | 12,869 | 14,468 | 16,513 | 18,335 | 20,040 | 21,668 | 21,732 | 25,012 |
| Total expenses | 11,559 | 13,191 | 15,371 | 17,166 | 18,493 | 20,098 | 20,480 | 23,065 |
| <i>Britain:</i> | | | | | | | | |
| Total revenues | 1,579 | 1,757 | 1,838 | 1,888 | 1,884 | 2,008 | 2,072 | 2,206 |
| Total expenses | 1,497 | 1,711 | 1,824 | 1,843 | 1,801 | 1,948 | 2,062 | 2,094 |
| <i>All other foreign countries:</i> | | | | | | | | |
| Total revenues | 1,063 | 1,128 | 1,141 | 1,010 | 1,244 | 1,336 | 1,508 | 1,554 |
| Total expenses | 971 | 1,028 | 1,037 | 908 | 1,138 | 1,237 | 1,389 | 1,391 |
| <i>All foreign countries:</i> | | | | | | | | |
| Total revenues | 15,511 | 17,353 | 19,492 | 21,233 | 23,168 | 25,012 | 25,312 | 28,773 |
| Total expenses ⁽¹⁾ | 14,027 | 15,930 | 18,232 | 19,917 | 21,432 | 23,283 | 23,932 | 26,550 |

(1) Total merchandise purchases and imports throughout this publication include purchases of capital equipment items unless shown separately or otherwise stated.

Note: Totals and sub-totals throughout this publication may not add or subtract exactly, due to rounding.

1971 to 38.8 per cent versus 25.9 per cent in 1964. An important contributor to these increases in the reliance of the Canadian subsidiaries upon their United States parents was the operations under the Canada-United States Automotive Agreement of 1965 which brought a great expansion in the two-way trade in automotive goods between the branch automobile manufacturing plants in Canada and their parents in the United States; the disruption of this trade because of strikes in 1970 was largely responsible for the smaller-than-usual increase in sales to export markets and for the actual decline in the proportion of imports in total purchases. The foreign commodity transactions of the respondents controlled in Britain, as proportions of their total sales and total purchases, fluctuated fairly widely during this period. Thus, no discernible trend is apparent in the proportion of their sales going to foreign markets; this declined from 23.6 per cent in 1964 to 19.1 per cent in 1966, rose to 22.7 per cent in 1967, fell to 19½ per cent in

1968, rose successively to 21.4 per cent in 1969 and to 23.9 per cent in 1970, and declined rather sharply to 17.9 per cent in 1971. The imports of these British subsidiaries as a share of their total purchases also varied from year to year, dropping from 43.3 per cent in 1964 to 29.7 per cent in 1966, rising each year afterwards to reach 34 per cent in 1969, falling off to 31.4 per cent in 1970 and easing up to 32.7 per cent in 1971. In the case of the reporting corporations controlled in foreign countries other than the United States and Britain, foreign sales as a proportion of total sales fluctuated between 17.9 and 21.7 per cent during the period and stood at 19 per cent in 1971 versus 19.7 per cent in 1964. Their purchases abroad as a proportion of their total purchases also varied considerably during the period, ranging between 26 and 35.1 per cent and amounting to 33½ per cent at the end of the period compared with 30.6 per cent at its beginning.

SUMMARY TABLE 26. — Exports as Proportions of Total Operating Sales and Purchases Abroad, as Proportions of Total Purchases, All Reporting Corporations, by Country of Control, Annually, 1964 to 1971

In percentages

| Export sales as proportions of total sales | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Corporations controlled in: | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
| United States | 17.5 | 17.1 | 20.5 | 22.1 | 25.0 | 26.3 | 26.8 | 26.9 |
| Britain | 23.6 | 22.5 | 19.1 | 22.7 | 19.5 | 21.4 | 23.9 | 17.9 |
| Other foreign countries | 19.7 | 18.5 | 19.8 | 17.9 | 21.7 | 21.7 | 21.0 | 19.0 |
| All foreign countries | 18.3 | 17.7 | 20.3 | 22.0 | 24.4 | 25.6 | 26.2 | 25.8 |
| Purchases abroad as proportions of total purchases | | | | | | | | |
| Corporations controlled in: | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 |
| United States | 25.9 | 28.9 | 29.9 | 32.9 | 37.7 | 39.3 | 37.6 | 38.8 |
| Britain | 43.3 | 38.2 | 29.7 | 29.8 | 31.7 | 34.0 | 31.4 | 32.7 |
| Other foreign countries | 30.6 | 31.6 | 28.9 | 26.0 | 29.0 | 35.1 | 32.7 | 33.5 |
| All foreign countries | 27.8 | 29.9 | 29.8 | 32.3 | 36.8 | 38.7 | 36.8 | 38.1 |

Merchandise Transactions by Country of Control, 1969 to 1971:

Since the income from sales constitutes such a large portion of total revenues accruing to the reporting corporations, the pattern of sales by country of control in the 1969 to 1971 period is very similar to that shown for total revenues. Respondents with parents in the United States had higher annual sales each year in the period; these amounted to \$21.2 billion in 1969, some \$21¼ billion in 1970, and to almost \$24½ billion in 1971 and accounted for between 85.9 and 87 per cent of the sales of all the respondents in these years. The small rise in sales in dollar terms and the slight decline in relative terms shown by the sales of these respondents in 1970 compared with 1969 was mainly due to the lower activity of the Canadian subsidiary of General Motors as a result of prolonged strikes in the plants of this company in both Canada and the United States. The sales of the companies with British parents increased each year in the period, rising from just under \$2 billion in 1969 to close to \$2.2 billion in 1971, but their share of the total sales of all the respondents declined from 8.1 to 7.7 per cent over the period. Subsidiaries controlled in other foreign countries had progressively larger sales each year in the period; these amounted to just under \$1.3 billion in 1969 and to \$1½ billion in 1971, but their share of the total remained at 5.3 per cent in both years.

As Summary Table 27 shows, the reporting corporations, regardless of which of the three geographical areas their parents were domiciled in, relied heavily upon markets in the United States for their export sales with the extent of this dependency only falling below 50 per cent in one case during the three year period; this was the British-controlled subsidiaries which consigned only 49.8

per cent of their exports to the United States in 1970. The companies with United States parents depended upon markets in that country for the following proportions of their total foreign sales: 83.9 per cent in 1969, 82.6 per cent in 1970 and 83.2 per cent in 1971. Corporations with British parents marketed these proportions of their exports in the United States: 59.1 per cent in 1969, 49.8 per cent the following year and 52.7 per cent in 1971. Companies controlled in third countries found markets in the United States for 70.2 per cent of their 1969 exports, for 63.6 per cent of those of 1970 and for 70.3 per cent of their 1971 foreign shipments.

The purchases of the respondents with parents in each of the three geographical areas increased each year in the period; those controlled in the United States reported purchases of just under \$12.9 billion in 1969, just over \$12.9 billion in 1970 and of some \$14.8 billion in 1971; those with British parents had purchases of \$1.1 billion in 1969 and about \$1.2 billion in each of the next two years with those of 1971 being slightly higher than in the previous year; and purchases of respondents controlled in third countries amounted to \$0.8 billion in 1969 and to some \$0.9 billion in each of the following two years, again with those of 1971 being marginally higher. Between 1969 and 1971 the purchases of the United States-controlled participants increased by 15.1 per cent, those having British parents advanced by 7.2 per cent and those controlled in third countries rose by 13½ per cent. These different rates of increases brought the share of total purchases held by the United States-controlled respondents up to 87½ per cent in 1971 compared with 87 per cent in 1969, reduced the proportion of the British subsidiaries from 7½ per cent at the beginning of the period to 7.1 per cent at its end and caused the portion accounted for by the corporations

controlled in other countries to decline very slightly from 5½ to 5.4 per cent between the two years.

In respect to the sourcing of imports, the respondents with United States parents obtained the bulk of such needs from suppliers in the United States, i.e., \$4.6 billion of the \$5.1 billion total in 1969, \$4.4 billion of the 1970 total of \$4.9 billion and some \$5¼ billion of the 1971 total of about \$5.8 billion; these respondents thus relied upon United States sources for between 90.7 and 91.6 per cent of all their foreign purchases in this three-year period. On the other hand, the reporting corporations controlled in both Britain and the other foreign countries obtained most of their imported needs from countries other than the United States and mostly from countries in which their parents were located. Thus, the British-controlled respondents relied upon United States sources for only \$137 million of their 1969 imports of \$379 million, for \$113 million of their 1970 imports of \$372 million and for \$115 million of the \$390 million spent abroad in 1971; these United States purchases are equivalent to the following proportions of their total foreign purchases: 36.1 per cent in 1969, 30.4 per cent in 1970 and 29½ per cent in 1971. Companies with parents in other foreign countries depended even less upon United States sources for their imported needs; only \$44 million or 15½ per cent of the 1969 total of \$284 million; \$50 million or 17.2 per cent of the 1970 total of \$291 million; and \$44 million or 14.3 per cent of the total of \$307 million in 1971.

The reporting corporations controlled in the United States earned substantial surpluses on the international exchange of merchandise during each year in the 1969 to 1971 period, the favourable balances amounting to \$502 million in 1969, \$824 million in 1970 and \$815 million in 1971. Respondents having parents in Britain had international trade surpluses of \$44 million in 1969 and \$114 million in 1970 but incurred a deficit of \$3 million in 1971. Corporations controlled in other foreign countries had a deficit of \$5 million in 1969 and \$21 million in 1971

but achieved a surplus of \$14 million in 1970.

While the Canadian subsidiaries of United States corporations earned surpluses in both their trade with the United States and with all other foreign countries throughout the 1969 to 1971 period, the bulk of these favourable balances stemmed from transactions involving foreign countries other than the United States, i.e., \$471 million versus \$32 million in 1969, \$540 million compared with \$284 million in 1970 and \$722 million as against \$193 million in 1971. Subsidiaries with parents in both Britain and other foreign countries had earned surpluses in their trade with the United States throughout the period but incurred deficits each year in transactions with other foreign countries. The British-controlled participants had favourable balances in dealings with the United States amounting to \$113 million in 1969, \$129 million in 1970 and \$89 million in 1971 but these were accompanied by deficits in merchandise trade with other foreign countries totalling \$69 million, \$15 million and \$91 million, respectively, in these three years. As a result, the surpluses earned by these companies in their trade with the United States were sufficient in the first two years of the period to more than offset the deficits incurred with the rest of the world, yielding overall favourable balances of \$44 million and \$114 million, but in the third year the favourable balance on trade with the United States failed to match the unfavourable balance, accruing from trade with other foreign countries, by \$3 million. The surpluses earned by companies controlled in foreign countries other than the United States and Britain, on the exchange of goods with the United States, came to \$152 million in 1969, \$144 million in 1970 and \$157 million in 1971, but these were insufficient by \$5 million in 1969 and by \$21 million in 1971 to counterbalance the deficits incurred in dealings with other foreign countries; in 1970 the unfavourable balance arising from trade with the foreign countries other than the United States was only \$130 million and this was more than offset by the United States surplus so that an overall favourable balance of \$14 million resulted.

SUMMARY TABLE 27. — Total Merchandise Transactions and Transactions with the United States, with Other Foreign Countries and with All Foreign Countries. All Reporting Corporations, by Country of Control, Annually, 1969 to 1971

In millions of dollars

| Year and country of control | Sales | | | | Purchases | | | |
|------------------------------------|-----------------|---------------|-------------------------|-----------------------|----------------|---------------|-------------------------|-----------------------|
| | Export sales to | | | | Purchases from | | | |
| | Total(1) | United States | Other foreign countries | All foreign countries | Total(1) | United States | Other foreign countries | All foreign countries |
| 1969 | | | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | | | |
| United States | 21,194 | 4,669 | 899 | 5,568 | 12,877 | 4,638 | 428 | 5,066 |
| Britain | 1,976 | 250 | 173 | 423 | 1,114 | 137 | 242 | 379 |
| Other foreign countries | 1,288 | 196 | 83 | 279 | 808 | 44 | 239 | 284 |
| All foreign countries | 24,458 | 5,115 | 1,155 | 6,270 | 14,799 | 4,819 | 910 | 5,729 |
| 1970 | | | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | | | |
| United States | 21,236 | 4,696 | 992 | 5,688 | 12,936 | 4,412 | 452 | 4,864 |
| Britain | 2,036 | 242 | 243 | 486 | 1,185 | 113 | 258 | 372 |
| Other foreign countries | 1,454 | 194 | 111 | 305 | 890 | 50 | 241 | 291 |
| All foreign countries | 24,727 | 5,132 | 1,346 | 6,479 | 15,012 | 4,576 | 951 | 5,527 |
| 1971 | | | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | | | |
| United States | 24,478 | 5,468 | 1,107 | 6,575 | 14,825 | 5,275 | 485 | 5,760 |
| Britain | 2,163 | 204 | 183 | 387 | 1,194 | 115 | 274 | 390 |
| Other foreign countries | 1,501 | 201 | 85 | 286 | 917 | 44 | 263 | 307 |
| All foreign countries | 28,142 | 5,873 | 1,375 | 7,248 | 16,936 | 5,434 | 1,022 | 6,456 |

(1) Includes sales and purchases made in Canada.

Non-merchandise Transactions by Country of Control, 1969 to 1971:

The reporting corporations controlled in each of the three geographical areas for which data are collected had deficits on their international service transactions each year in the 1969 to 1971 period, and these adverse balances tended to become larger in each succeeding year. The respondents with parents in the United States were responsible for most of these deficits, \$670 million or 89.8 per cent of the 1969 total of \$746 million, \$729 million or 90.3 per cent of the 1970 aggregate of \$807 million and \$849 million or 91 per cent of the 1971 total deficit of \$933 million. The major factor in the size of the imbalances incurred by these respondents was the lopsided nature of their two-way exchange of services with the United States, the receipts accruing to them being only a fraction of their

payments, i.e., \$25 million versus \$718 million in 1969, \$29 million compared with \$749 million in 1970 and \$58 million as against \$913 million in 1971. Even if dividend payments which were substantial in all three years are excluded, the gap between the amounts received by the respondents from sources in the United States and the sums paid to that country on service account remains very large.

As is shown in Summary Tables 28 and 29, while the respondents controlled in the United States did earn surpluses in their service transactions with foreign countries other than the United States in both 1969 and 1971, the favourable balances of \$23 million and \$6 million, respectively, were not large enough to have much impact on the very large imbalances stemming from dealings with the United States. In the other year, 1970, these respondents incurred a deficit of \$9 million in service trade with foreign countries other than the United States.

The reporting corporations with British parents had modest deficits in both their non-merchandise trade with the United States and with the all-other-foreign-countries group throughout the 1969 to 1971 period. These adverse balances were of approximately the same size, amounting to \$19 million with the United States and \$17 million with the rest of the world in 1969; \$20 million and \$17 million, respectively, in 1970; and \$23 million and \$22 million in that order in 1971. The receipts of these British firms on service account were quite small throughout the period, amounting to \$9 million in 1969, \$10 million in 1970 and \$11 million in 1971, while the comparable payment totals were \$45 million, \$48 million and \$56 million.

The participants with parents domiciled in foreign countries other than the United States and Britain had

adverse balances in service dealings with both the United States and the other foreign countries group throughout the period. These unfavourable balances were about the same size as those shown for the British subsidiaries in total, but the larger portion resulted from dealings with countries other than the United States. The composition of the overall imbalances were: 1969, with the United States, \$13 million and with other countries, \$27 million; 1970, United States, \$15 million, others, \$25 million; and 1971, United States, \$15 million, other countries, \$23 million. Both the receipts and the payments of these respondents on service account were remarkably stable throughout the period, the former being \$14 million in each of the three years and the latter amounting to \$53 million in both 1969 and 1971 and \$54 million in 1970.

SUMMARY TABLE 28. — Non-merchandise Transactions with the United States, with Other Foreign Countries and with all Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1969 to 1971

In millions of dollars

| Year and country of control | United States | | Other foreign countries | | All foreign countries | |
|------------------------------------|------------------|------------------|-------------------------|------------------|-----------------------|------------------|
| | Current receipts | Current payments | Current receipts | Current payments | Current receipts | Current payments |
| 1969 | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | |
| United States | 25 | 718 | 45 | 22 | 70 | 740 |
| Britain | 1 | 19 | 8 | 25 | 9 | 45 |
| Other foreign countries | 2 | 15 | 12 | 39 | 14 | 53 |
| All foreign countries | 28 | 752 | 65 | 87 | 93 | 839 |
| 1970 | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | |
| United States | 29 | 749 | 35 | 44 | 64 | 793 |
| Britain | 2 | 22 | 8 | 25 | 10 | 48 |
| Other foreign countries | 1 | 16 | 13 | 38 | 14 | 54 |
| All foreign countries | 32 | 788 | 56 | 107 | 88 | 895 |
| 1971 | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | |
| United States | 58 | 913 | 42 | 36 | 100 | 949 |
| Britain | 1 | 24 | 10 | 32 | 11 | 56 |
| Other foreign countries | 1 | 16 | 13 | 36 | 14 | 53 |
| All foreign countries | 60 | 954 | 65 | 105 | 125 | 1,059 |

Note: Dividends are included in both receipts and payments.

Current Account Balances⁽¹⁾ by Country of Control, 1969 to 1971:

Despite the large surpluses earned by the United States-controlled respondents on merchandise account throughout the 1969 to 1971 period, they had deficits on

their overall current account transactions in two of the three years in the period because of the even larger deficits incurred on non-merchandise international dealings. Thus, in 1969 the favourable balance earned on merchandise account of \$502 million was more than offset by the

adverse balance arising from service transactions, \$670 million, so that the end result was a current account deficit of \$168 million. Similarly, in 1971 the \$815 million favourable balance on merchandise trade was not quite enough to counter the adverse balance of \$849 million incurred on non-merchandise account and an overall deficit of \$34 million resulted. In 1970, the peak merchandise surplus of \$824 million more than compensated for the \$729 million deficit on services so that there was an overall favourable current account balance of \$95 million in that year.

The reporting corporations controlled in Britain had surpluses in their merchandise trade with all foreign countries in two years in the period, 1969 and 1970, and these were large enough to more than offset the imbalances arising from non-merchandise transactions to the extent of \$8 million in the first year and \$76 million in the second. The high 1970 surplus was due mainly to a fall in the adverse balance on merchandise dealings with foreign countries other than the United States; this came to only \$15 million in 1970 compared with \$69 million in 1969 and with \$91 million in 1971. In all three years, the

British-controlled respondents had favourable current account balances in their overall transactions with the United States and adverse ones with the rest of the world.

The international transactions of the respondents controlled in foreign countries other than the United States and Britain resulted in moderate overall deficits each year in the period, i.e., \$44 million in 1969, \$26 million in 1970 and \$60 million in 1971. These totals comprised unfavourable balances on merchandise trade in two years and deficits on non-merchandise account in all three years. In 1969 there was a deficit of \$5 million on merchandise trade and one of \$39 million on non-merchandise transactions; in 1970 there was a \$14 million surplus on the exchange of goods but this was more than offset by the \$40 million imbalance on non-merchandise dealings; and in 1971 international trade in merchandise produced a deficit of \$21 million while non-merchandise transactions resulted in one of \$39 million. As in the case of the British-controlled respondents, overall surpluses earned in dealings with the United States were converted into overall current account deficits by the larger adverse balances incurred with foreign countries other than the United States.

SUMMARY TABLE 29. — Merchandise Trade Balance, Non-merchandise Trade Balance and Current Account Balance, with the United States, with Other Foreign Countries and with All Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1969 to 1971

In millions of dollars

| Year and country of control | Balance on merchandise trade with | | | Balance on non-merchandise trade with | | | Current account balance ⁽¹⁾ with | | |
|------------------------------------|-----------------------------------|-------------------------|-----------------------|---------------------------------------|-------------------------|-----------------------|---|-------------------------|-----------------------|
| | United States | Other foreign countries | All foreign countries | United States | Other foreign countries | All foreign countries | United States | Other foreign countries | All foreign countries |
| 1969 | | | | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | | | | |
| United States | 32 | 471 | 502 | -693 | 23 | -670 | -662 | 493 | -168 |
| Britain | 113 | -69 | 44 | -19 | -17 | -36 | 95 | -86 | 8 |
| Other foreign countries | 152 | -156 | -5 | -13 | -27 | -39 | 139 | -183 | -44 |
| All foreign countries | 296 | 245 | 541 | -724 | -22 | -746 | -428 | 223 | -205 |
| 1970 | | | | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | | | | |
| United States | 284 | 540 | 824 | -720 | -9 | -729 | -436 | 531 | 95 |
| Britain | 129 | -15 | 114 | -20 | -17 | -38 | 109 | -32 | 76 |
| Other foreign countries | 144 | -130 | 14 | -15 | -25 | -40 | 128 | -155 | -26 |
| All foreign countries | 556 | 396 | 952 | -756 | -51 | -807 | -200 | 345 | 145 |

SUMMARY TABLE 29 (cont'd)

| Year and country of control | Balance on merchandise trade with | | | Balance on non-merchandise trade with | | | Current account balance (1) with | | |
|------------------------------------|-----------------------------------|-------------------------|-----------------------|---------------------------------------|-------------------------|-----------------------|----------------------------------|-------------------------|-----------------------|
| | United States | Other foreign countries | All foreign countries | United States | Other foreign countries | All foreign countries | United States | Other foreign countries | All foreign countries |
| 1971 | | | | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | | | | |
| United States | 193 | 622 | 815 | -855 | 6 | -849 | -662 | 628 | -34 |
| Britain | 89 | -91 | -3 | -23 | -22 | -45 | 66 | -113 | -48 |
| Other foreign countries | 157 | -178 | -21 | -15 | -23 | -39 | 142 | -201 | -60 |
| All foreign countries | 439 | 353 | 792 | -893 | -40 | -933 | -454 | 312 | -142 |

(1) For qualifications on the concept of 'current account balance' used throughout this publication, see footnote to Table 2.

Transactions with Parents and Affiliates Abroad by Country of Control:

Merchandise Transactions, 1969 to 1971:

The pattern in the inter-company international merchandise trade of the reporting corporations that was evident in the earlier years of the survey continued throughout the 1969 to 1971 period. Respondents controlled in the United States continued to rely upon parents and affiliates in that country for most of their foreign sales to related companies abroad and for most of the goods purchased from associates outside of Canada. The reporting corporations with parents in Britain and in other foreign countries directed most of the exports consigned to related companies to associates in the United States but obtained most of their international inter-company purchases from non-United States sources, usually the countries in which their parents were domiciled.

The subsidiaries controlled in the United States depended upon parents and affiliates in that country for between 93 and 95 per cent of all sales made to related companies for almost \$4 billion of the 1970 total of \$4.3 billion, and for some \$4.6 billion of the 1971 total of \$4.9 billion. The degree of dependence of these respondents upon parents and affiliates in the United States was almost as great for the goods purchased from related companies in all foreign countries during this period, obtaining between 91 and just over 92 per cent of such purchases from these sources during this period. In 1969, \$3.6 billion of the \$3.9

billion expended on the purchase of merchandise from related companies abroad came from parents and affiliates in the United States and the comparable figures for the other two years were: 1970, \$3.3 billion of the \$3.6 billion total, and 1971, about \$4.2 billion of the \$4½ billion total.

The Canadian subsidiaries with British parents looked to associated companies in the United States for the larger part of the sales made to related companies abroad in this period, directing between 54 and 67 per cent of such exports to affiliates in that country. On the other hand, these respondents concentrated their purchases from related companies abroad to those located in countries other than the United States, these latter sources accounting for 96 per cent of such purchases in 1969 and for 98 per cent of them in both 1970 and 1971.

The reporting corporations with parents in foreign countries other than the United States and Britain relied heavily upon associated companies in the United States for the foreign sales they made to related companies and depended equally heavily upon affiliates in foreign countries other than the United States for the goods they bought from related foreign companies. Thus, in 1969 these respondents directed 92 per cent of the merchandise sold foreign associates to United States affiliates but obtained 91½ per cent of the goods procured from foreign associates from those located elsewhere than the United States. The comparable figures for 1970 are: exports, 88½ per cent and imports, 89.9 per cent; 1971, exports, 92 per cent and imports, 93.4 per cent.

SUMMARY TABLE 30. — Merchandise Trade with Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1969 to 1971

| Year and country of control | In millions of dollars | | | | | |
|------------------------------------|--------------------------------------|-------------------------|-----------------------|--|-------------------------|-----------------------|
| | Exports to parents and affiliates in | | | Imports from parents and affiliates in | | |
| | United States | Other foreign countries | All foreign countries | United States | Other foreign countries | All foreign countries |
| 1969 | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | |
| United States | 4,020 | 269 | 4,289 | 3,611 | 310 | 3,922 |
| Britain | 78 | 40 | 117 | 9 | 198 | 207 |
| Other foreign countries | 118 | 10 | 128 | 21 | 216 | 236 |
| All foreign countries | 4,216 | 319 | 4,534 | 3,641 | 724 | 4,365 |
| 1970 | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | |
| United States | 3,988 | 290 | 4,278 | 3,323 | 319 | 3,642 |
| Britain | 84 | 56 | 141 | 3 | 196 | 200 |
| Other foreign countries | 116 | 15 | 131 | 25 | 223 | 248 |
| All foreign countries | 4,188 | 361 | 4,549 | 3,352 | 738 | 4,090 |
| 1971 | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | |
| United States | 4,650 | 289 | 4,939 | 4,169 | 354 | 4,523 |
| Britain | 72 | 61 | 133 | 5 | 218 | 223 |
| Other foreign countries | 126 | 12 | 137 | 18 | 254 | 272 |
| All foreign countries | 4,848 | 362 | 5,209 | 4,192 | 826 | 5,018 |

Non-merchandise Transactions, 1969 to 1971:

Throughout the 1969 to 1971 period, as in the earlier years covered by the survey, the respondents, regardless of the geographical area in which they were controlled, continued to pay more to related companies abroad for services than they received from them. The reporting corporations with parents in the United States accounted for a large part of both the receipts and payments of this nature and the already large imbalance between these items continued to widen in 1969, 1970 and 1971. The non-merchandise transactions between both the participants controlled in Britain and in other foreign countries with associated companies outside of Canada were very small compared with those of the subsidiaries having parents in the United States and, in general, showed little change in magnitude during the period.

The respondents with parents in the United States accounted for between 69 and 81 per cent of the receipts realized by all the respondents from services rendered related companies abroad and were responsible for some 92 per cent of the totals paid out yearly during this period by the respondents to foreign associates for non-merchandise purposes. The receipts accruing to these participants on non-merchandise trade with foreign affiliates amounted to \$53 million in 1969, \$44 million in 1970 and to \$83 million in 1971; of these totals, \$17 million came from parents and affiliates in the United States in 1969, \$18 million in 1970 and \$45 million in 1971. As a proportion of the total service receipts accruing to all respondents from this type of transaction, the portion that came from related firms in the United States was 32, 41 and 54 per cent, respectively, in these three years. The service payments of these United States-controlled subsidiaries to associates in

foreign countries totalled \$633 million in 1969, \$694 million in 1970 and \$845 million in 1971, of which \$616 million went to related companies in the United States in 1969, \$656 million in 1970 and \$816 million in 1971.

Corporations with parents in Britain had receipts from service transactions with associates abroad of only \$7 million in each of the three years in the period, with the related companies in the United States only contributing \$1 million in 1970 towards these totals. These respondents

SUMMARY TABLE 31. — Non-merchandise Transactions with Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1969 to 1971

| In millions of dollars | | | | | | |
|------------------------------------|---|------------------|-------------------------|------------------|-----------------------|------------------|
| Year and country of control | Non-merchandise transactions with parents and affiliates in | | | | | |
| | United States | | Other foreign countries | | All foreign countries | |
| | Current receipts | Current payments | Current receipts | Current payments | Current receipts | Current payments |
| 1969 | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | |
| United States..... | 17 | 616 | 36 | 17 | 53 | 633 |
| Britain | — | 2 | 7 | 19 | 7 | 22 |
| Other foreign countries..... | — | 3 | 12 | 31 | 12 | 34 |
| All foreign countries | 17 | 621 | 55 | 67 | 72 | 688 |
| 1970 | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | |
| United States..... | 18 | 656 | 26 | 38 | 44 | 694 |
| Britain | 1 | 3 | 6 | 19 | 7 | 23 |
| Other foreign countries | — | 3 | 13 | 32 | 13 | 35 |
| All foreign countries | 18 | 663 | 46 | 89 | 64 | 752 |
| 1971 | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | |
| United States | 45 | 816 | 38 | 29 | 83 | 845 |
| Britain | — | 4 | 6 | 27 | 7 | 31 |
| Other foreign countries..... | — | 2 | 13 | 32 | 13 | 35 |
| All foreign countries | 46 | 823 | 57 | 88 | 103 | 911 |

Note: Dividends are included in both receipts and payments.

paid out \$22 million in 1969 to foreign associates on non-merchandise account; of this amount, only about \$2 million went to the United States. The comparable figures for the other two years in the period are: 1970, \$23 million with \$3 million to the United States; and 1971, \$31 million of which \$4 million went to related companies in the United States.

The international inter-company transactions on non-merchandise account of the respondents controlled in foreign countries other than the United States and Britain were quite modest in size and showed little change from year to year in the period. Their receipts from services rendered related companies outside of Canada amounted to \$12 million in 1969 and to \$13 million in both 1970 and

1971; all the receipts came from associates in countries other than the United States. The service payments made by these respondents to foreign affiliates totalled \$34 million in 1969 and \$35 million in each of the following two years. All these payments went to foreign associates in countries other than the United States except for \$3 million in both 1969 and 1970 and \$2 million in 1971.

Current Account Balances with Parents and Affiliates, 1969 to 1971:

Each of the three groups of respondents, classified by geographical area of control, had deficits in their inter-company current account transactions each year in

the 1969 to 1971 period. These adverse balances ranged in size from \$14 million in 1969 to \$346 million in 1971, and both resulted from the dealings of the respondents with parents in the United States.

In 1969 the reporting corporations controlled in the United States had a current account deficit of \$213 million in transactions with related foreign companies as a result of a \$580 million deficit in the non-merchandise sector and of a surplus of \$367 million in merchandise trade. This pattern continued in 1970 and 1971, with deficits on the exchange of services more than offsetting the favourable balances earned in merchandise transactions; i.e., in 1970 the services adverse balance was \$650 million and the surplus on merchandise trade was \$636 million which yielded an overall deficit of \$14 million, and in 1971 there was an imbalance of \$762 million on the exchange of services and a favourable balance of \$416 million on the two-way trade

in merchandise that resulted in an overall deficit of \$346 million. These deficits were the product of adverse balances incurred in both transactions with associates in the United States in two of the three years and imbalances with other foreign countries in all three years. In 1969, the respondents had an overall current account deficit of \$190 million with related companies in the United States and one of \$23 million with affiliates in other foreign countries. In 1970, there was a current account surplus of \$27 million in dealings with United States affiliates and a deficit of \$41 million with the rest of the world; and in 1971 the deficit in transactions with associates in the United States was \$290 million and in trade with all other foreign countries, \$56 million.

The Canadian subsidiary companies with parents in Britain had deficits on current account transactions with related companies abroad of \$105 million in 1969, \$75

SUMMARY TABLE 32. – Merchandise Trade Balance, Non-Merchandise Trade Balance and Current Account Balance with Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1969 to 1971

In millions of dollars

| Year and country of control | Balance on merchandise trade | | | Balance on non-merchandise trade | | | Current account balance | | |
|------------------------------------|------------------------------|-------------------------|-----------------------|----------------------------------|-------------------------|-----------------------|-------------------------|-------------------------|-----------------------|
| | United States | Other foreign countries | All foreign countries | United States | Other foreign countries | All foreign countries | United States | Other foreign countries | All foreign countries |
| 1969 | | | | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | | | | |
| United States | 409 | -41 | 367 | -599 | 19 | -580 | -190 | -23 | -213 |
| Britain | 69 | -158 | -90 | -2 | -12 | -14 | 66 | -170 | -105 |
| Other foreign countries | 97 | -206 | -108 | -3 | -19 | -22 | 94 | -225 | -130 |
| All foreign countries. | 575 | -406 | 169 | -604 | -12 | -616 | -29 | -418 | -447 |
| 1970 | | | | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | | | | |
| United States | 665 | -29 | 636 | -638 | -12 | -650 | 27 | -41 | -14 |
| Britain | 81 | -140 | -59 | -2 | -13 | -16 | 79 | -152 | -75 |
| Other foreign countries | 91 | -208 | -117 | -3 | -19 | -22 | 88 | -227 | -139 |
| All foreign countries | 836 | -377 | 459 | -644 | -43 | -688 | 191 | -420 | -228 |
| 1971 | | | | | | | | | |
| <i>Corporations controlled in:</i> | | | | | | | | | |
| United States | 481 | -65 | 416 | -771 | 9 | -762 | -290 | -56 | -346 |
| Britain | 67 | -157 | -90 | -4 | -21 | -24 | 63 | -178 | -114 |
| Other foreign countries | 108 | -242 | -135 | -2 | -19 | -22 | 106 | -261 | -157 |
| All foreign countries. | 656 | -465 | 191 | -777 | -31 | -808 | -122 | -496 | -617 |

million in 1970 and \$114 million in 1971. In each case these resulted from the larger deficits incurred in dealings with related companies in foreign countries other than the United States more than offsetting the surpluses earned in transactions with associates in the United States. In 1969 the adverse balance stemming from dealings with the rest of the world was \$170 million and the surplus from transactions with United States affiliates was \$66 million; the corresponding figures for the other two years in the period were: 1970, \$152 million and \$79 million; 1971, \$178 million and \$63 million.

The current account balances of the reporting corporations controlled in foreign countries other than the United States and Britain followed much the same pattern in this period as did those with parents in Britain in respect to transactions with related foreign companies. In each year

in the period the deficits incurred on current account with related firms in foreign lands other than the United States were more than sufficient to offset the surpluses arising from their dealings with their United States affiliates, and overall current account deficits resulted. However, both such deficits and surpluses were larger throughout the period than those of the British-controlled respondents. The reporting corporations with foreign parents elsewhere than in the United States had adverse current account balances totalling \$130 million, \$139 million and \$147 million in 1969, 1970 and 1971, respectively. These stemmed from deficits incurred with foreign countries other than the United States of \$225 million in 1969, \$227 million in 1970 and \$261 million in 1971 and from surpluses of \$94 million, \$88 million and \$106 million, in that order, arising from transactions with related firms in the United States.

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APPENDIX I

Survey Coverage and Technical Notes:

Two questionnaires were used in the survey upon which this study is based, Form 'A' and Form 'B', and both cover selected information on the operations and financing of non-financial corporations in Canada with assets of more than \$5 million and which had more than 50 per cent of their voting stock owned by one foreign investor. The survey is conducted on a purely voluntary basis.

Form 'A', the questionnaire used for the annual return, is reproduced on page 68 and Form 'B', the one used for the quarterly survey, is shown on page 70.

The time period covered by the annual data differs slightly for the financing activities and for the other operations. The information in the annual return refers to the fiscal year, and where this does not conform to the

calendar year, fiscal years ending between May 1 of one year and April 30 of the next are taken as the calendar year in which they began. The data on financing refer to the end of the fourth quarter of the year, i.e., to December 31, and hence, are on a calendar-year basis.

The industry classifications used are the ones developed by Statistics Canada for use in production statistics and subsequently modified by Statistics Canada for the presentation of financial data. Hence, the classification does contain inherent short-comings for the purpose it is used for in this study and the industry classifications should be regarded as only rough indicators of the types of businesses involved. It should be mentioned also that respondents have continued to be assigned to the 1964 original classification throughout the entire 1964 to 1971 period so that no allowance has been made for subsequent changes in the type of operations or for diversification of their economic activities.

| Statistics Canada Industry Classification(1) | | Industry group in this report |
|--|--|---------------------------------|
| 051-059 | Metal mines | Mining and primary metals |
| 071-079 | Non-metal mines (except coal mines) | |
| 083,087 | Quarries and sand pits | |
| 096-099 | Services incidental to mining | |
| 291-298 | Primary metal industries | |
| 061,064 | Mineral fuels | Gas and oil |
| 365,369 | Petroleum and coal products industries | |
| 301-309 | Metal fabricating industries (except machinery and transportation equipment industries) | Machinery and metal fabricating |
| 311-318 | Machinery industries (except electrical machinery) | |
| 321-329 | Transportation equipment industries | Transportation equipment |
| 331-339 | Electrical products industries | Electrical products |
| 372-379 | Chemical and chemical products industries | Chemical products |
| 101-109 | Food and beverage industries | Food and beverage |
| 031 | Logging | Pulp and paper |
| 251-259 | Wood industries | |
| 261-268 | Furniture and fixture industries | |
| 271-274 | Paper and allied industries | |
| 151,153 | Tobacco products industries | Other manufacturing |
| 162,165 | Rubber and plastic products industries | |
| 172-179 | Leather industries | |
| 181-189 | Textile industries | |
| 231,239 | Knitting mills | |
| 243-249 | Clothing industries | |
| 286-289 | Printing, publishing and allied industries | |
| 391-399 | Miscellaneous manufacturing industries | |
| 602-629 | Wholesale trade | Wholesale trade |
| 404-421 | Construction industry | Other non-manufacturing |
| 501-579 | Transportation, Communication and Other Utilities | |
| 631-699 | Retail trade | |
| 851-899 | Community, Business and Personal Service | |

(1) Standard Industrial Classification Manual, Revised 1970, DBS. 12-501

While the number of respondents taking part in the survey has fluctuated between 322 and 334 during the 1964 to 1971 period, the total number of companies covered by the returns has remained fairly stable at the 970 mark. The main reasons for the changes in the number of returns were: the consolidation of two returns into one following the merger of two respondents or the takeover of

one participant by another; the emergence of a new respondent because of the transfer of the activities previously covered in the return of another respondent; and the addition of new respondents or the deletion of existing ones because of the change in the nationality of ownership. The latter occurs when a non-resident corporation acquires more than 50 per cent of a company with assets of over \$5

million, which was previously owned or controlled by residents of Canada or when the ownership or control of a Canadian company with assets of over \$5 million passes from non-resident investors to residents of Canada.

While the variation in the number of respondents that has taken place over the 1964 to 1971 period does undoubtedly affect the comparableness of the data, it is felt

that the statistics are sufficiently consistent to enable trends to be discerned and overall conclusions formed. The data for the years 1964 to 1966 pertain to the same 322 respondents and the statistics for the years 1967 to 1971 have been made as comparable as possible despite the decline in the number of respondents from 334 at the beginning of the period to 328 at its end.

Number of Respondents by Industry, 1964 to 1971

| Industry | Number of respondents | | | | | |
|---------------------------------------|-----------------------|------------|------------|------------|------------|------------|
| | 1964-66 | 1967 | 1968 | 1969 | 1970 | 1971 |
| Mining and primary metals | 27 | 30 | 30 | 30 | 29 | 29 |
| Gas and oil | 23 | 25 | 25 | 25 | 25 | 24 |
| Machinery and metal fabricating | 44 | 46 | 46 | 45 | 45 | 45 |
| Transportation equipment | 20 | 20 | 20 | 20 | 19 | 19 |
| Electrical products | 26 | 26 | 26 | 26 | 26 | 26 |
| Chemical products | 33 | 33 | 33 | 33 | 33 | 33 |
| Food and beverage | 36 | 38 | 38 | 37 | 37 | 37 |
| Pulp and paper | 26 | 26 | 25 | 25 | 25 | 25 |
| Other manufacturing | 30 | 31 | 31 | 31 | 31 | 31 |
| Wholesale trade | 21 | 21 | 21 | 21 | 21 | 21 |
| Other non-manufacturing | 36 | 38 | 38 | 38 | 38 | 38 |
| Total | 322 | 334 | 333 | 331 | 329 | 328 |

The transactions of the reporting corporations are classified by three geographical areas throughout this report, these are dealings between the respondents and the United States, between the participants and all other foreign countries and between the corporations taking part in the survey and Canada. In Section 4 which treats transactions by country of control, respondents with parents in Britain have been removed from the 'all other foreign countries' classification and are shown separately.

The transactions of the reporting corporations are classified as merchandise and non-merchandise throughout the study. The merchandise transactions are those involving the sale or the purchase of goods while the non-merchandise category comprises services or the 'invisibles.' In most cases the merchandise figures reported represent the actual amounts received or paid by the respondents so that in the case of purchases, the figures shown are usually the 'laid-down' costs and, hence, include such other expenses as customs duties, sales taxes and transportation costs as well as the actual price of the merchandise itself. This aspect is discussed in some detail in the explanatory note on the concept of 'current account

balance' as used in this report. The reporting corporations are asked to list outlays for capital goods separately but since some of the returns did not do so, most of the tabulations show only total purchases and total imports covering both merchandise and capital goods. In regard to the latter, another qualification should be noted: namely that a substantial portion of the capital equipment purchased in Canada represents machinery and equipment imported by the suppliers of the reporting corporations and was not produced in Canada.

A small number of the respondents have operations so large that they dominate certain aspects of the activities of the entire industry groups to which they belong and in such cases, an extraordinary transaction by such a corporation affects the data shown for the whole group.

The value figures in this report have been rounded to the nearest million and as a result their totals may not always add or subtract exactly. An exception has been made in Appendix VIII where the dollar figures in millions are extended to include one decimal. The percentages shown, unless otherwise stated, have been calculated from the rounded totals.



MINISTER OF TRADE AND COMMERCE
LE MINISTRE DU COMMERCE
CANADA

OTTAWA, March 31, 1966

LETTER FROM THE HONOURABLE ROBERT H. WINTERS
TO SUBSIDIARIES IN CANADA OF FOREIGN COMPANIES
TABLED IN THE HOUSE OF COMMONS ON MARCH 31, 1966

The Government has been giving a good deal of attention to the need for the best possible performance from the Canadian economy and to the contribution in this regard of the many Canadian companies which are subsidiaries of foreign parents or are largely foreign-owned. Such companies have responsibilities both to their parent companies and to the country in which they operate.

I have concluded that a statement of what is expected of subsidiary companies as regards their responsibilities to the Canadian community would be of benefit to all concerned.

To fulfil its responsibilities as a good citizen, a company seeks to perfect its performance through the vigorous pursuit of available market opportunities and the efficient use of its resources and, in so doing, contributes to the sound development of the community in which it operates.

In the pursuit of this end, subsidiaries of foreign companies enjoy the backing of their parent companies through the provision of financial, managerial, technological and research assistance, along with other forms of support which might not otherwise be available. At the same time, the fact of foreign control leaves the subsidiaries open to external influences which may not always be consistent with their own best interests and those of the Canadian community at large. Such a company may lack the decision-making authority to pursue policies in line with the opportunities afforded within the growing national community and otherwise to develop the full potential of the Canadian operation.

Subsidiaries of foreign companies occupy a prominent position in the Canadian economy. They have contributed greatly to Canada's development in the past and their role in the future is no less challenging. In a more interdependent world, companies with foreign affiliates have an increasingly important role in the international exchange of goods, services, technology and ideas.

The Canadian Government is desirous that subsidiaries be free to develop their full potential within the Canadian community. In this regard it is most important that subsidiaries should not have restrictive limitations placed upon their sound development by their parent organizations.

This objective can be made more difficult if foreign Governments introduce measures which affect the financial or commercial policy of parent companies or seek to influence them in their relations with their foreign subsidiaries.

In the case of the United States balance of payments program, the authorities in that country have made quite clear, as indicated in the communique of the recent meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs, that the "United States Government was not requesting United States corporations to induce their Canadian subsidiaries to act in any ways that differed from their normal business practices as regards the repatriation of earnings, purchasing and sales policies, or their other financial and commercial activities." The United States authorities have, in fact, re-emphasized the view that "United States subsidiaries abroad should behave as good citizens of the country where they are located."

I am confident that this also would be the view of the Governments of other countries whose companies have subsidiaries in Canada.

I believe it timely and useful therefore to set forth, particularly for the benefit of subsidiary companies, some basic principles of good corporate citizenship in Canada. I trust that these principles will be regarded as helpful by your company.

SOME GUIDING PRINCIPLES OF GOOD CORPORATE BEHAVIOUR FOR SUBSIDIARIES IN CANADA OF FOREIGN COMPANIES

Desirable objectives include the following:—

- 1) Pursuit of sound growth and full realization of the company's productive potential thereby sharing the national objective of full and effective use of the nation's resources.
- 2) Realization of maximum competitiveness through the most effective use of the company's own resources, recognizing the desirability of progressively achieving appropriate specialization of productive operations within the internationally affiliated group of companies.
- 3) Maximum development of market opportunities in other countries as well as in Canada.
- 4) Where applicable, to extend processing of natural resource products to the extent practicable on an economic basis.
- 5) Pursuit of a pricing policy designed to assure a fair and reasonable return to the company and to Canada for all goods and services sold abroad, including sales to the parent company and other foreign affiliates.
- 6) In matters of procurement, to search out and develop economic sources of supply in Canada.
- 7) To develop as an integral part of the Canadian operation wherever practicable the technological, research and design capability necessary to enable the company to pursue appropriate product development programs so as to take full advantage of market opportunities domestically and abroad.

- 8) Retention of a sufficient share of earnings to give appropriate financial support to the growth requirements of the Canadian operation, having in mind a fair return to shareholders on capital invested.
- 9) To work toward a Canadian outlook within management, through purposeful training programs; promotion of qualified Canadian personnel and inclusion of a major proportion of Canadian citizens on its board of directors.
- 10) To have the objective of a financial structure which provides opportunity for equity participation in the Canadian enterprise by the Canadian public.
- 11) Periodically to publish information on the financial position and operations of the company.
- 12) To give appropriate attention and support to recognized national objectives and established Government programs designed to further Canada's economic development and to encourage and support Canadian institutions directed toward the intellectual, social and cultural advancement of the community.

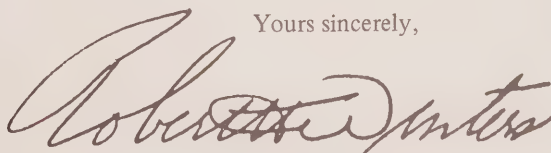
In setting forth the foregoing principles of good corporate behaviour, I recognize that there is already widespread adherence to such principles among subsidiary companies in Canada both in spirit and in deed. However, to the extent that these principles are not already applied, subsidiary companies are urged to work purposefully and constructively toward their application, as circumstances permit.

I would like also to tell you of my intention to seek the co-operation of large and medium sized subsidiary companies in providing periodically information, on a confidential basis, relating to certain aspects of their operations and financing. In this way the Government will gain a clearer insight into the contribution of Canadian subsidiaries to the Canadian economy.

Questionnaire forms providing a full explanation of the information being sought will be circulated within the next few weeks. I hope that prompt and careful attention will be given this request for information.

Thank you for your co-operation.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Robert H. Winters", written in a cursive style.

Robert H. Winters.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE
**SELECTED INFORMATION ON COMPANIES IN CANADA
WHOLLY OR LARGELY FOREIGN OWNED**

IMPORTANT: The information requested in this return will be used primarily within the collecting agency to analyze company and industry trends but on occasion may be used on a limited basis, by the Departments of Industry, Trade and Commerce, Finance, and by the Bank of Canada in dealing with matters of concern to them relating to points covered in the guiding principles. Such information will be available only to certain authorized officials in the Bank and the above Departments and they will be under obligation to maintain its confidentiality.

Name of company:

Nature of business:

Mailing address:

Address of principal office in Canada — If same as above check ☐

Name of parent:

Country of incorporation of parent:

INSTRUCTIONS

This report to be filled in for annual periods seeks operational information such as sales, expenses and profits divided between certain types of foreign and domestic transactions and is intended primarily to help evaluate the economic contribution of foreign-owned companies to Canadian development. Data of this kind will contribute to a fuller understanding of the role of subsidiaries of foreign companies in the Canadian economy.

It is hoped that most of the information requested can be provided within your existing accounting framework. If this is not the case please provide your best estimate or aggregate items where necessary.

Specific

- (a) **Sales** should be at the valuation shown in the company accounts. In the case of sales to non-residents include both sales made directly and those made through an agent or broker. Sales to non-residents should include both goods produced or processed in Canada and those items re-exported that had previously been imported in the same form.
- (b) **Royalties** — Include copyrights, patents and all similar items.
- (c) **Scientific research and Development** — Include scientific research, product and process development research, and any salaries and wages incurred for these purposes.
- (d) **Purchase of Merchandise** should be at the valuation shown in the company accounts. If at all possible these should show separately materials and components and goods for re-sale. If this is not possible the two items may be aggregated. Purchases from non-residents should include items purchased through a broker or dealer as well as those purchased directly.

If possible consolidate with accounts of all Canadian subsidiaries and attach list of names of such subsidiaries. In this list indicate those corporations excluded from the Corporation Financial Statements Consolidation and indicate "Reports separately" if such is the case.

If you have any Canadian subsidiaries whose assets exceeded \$1 million at the latest fiscal year end and which are not covered in this report, attach list.

Any queries in regard to these forms should be directed to the Corporation Returns Division, Investment Analysis Branch, Department of Industry, Trade and Commerce, Ottawa. Telephone 992-0344.

Chief, Corporation Returns Division, Telephone 995-7722.

or

Director, Investment Analysis Branch, Telephone 992-3847.

The report should be submitted within 60 days of receipt of this request.

COMPLETED RETURNS SHOULD BE SENT TO: Corporation Returns Division,
Investment Analysis Branch,
Department of Industry, Trade and Commerce,
Ottawa, Ontario.
K1A 0H5

Comment

Please explain the nature of any special transactions or changes in dividend policy, accounting practices or corporate structure that would aid in the interpretation of this report.

Name: (print)

Position

Telephone No.

Signature:

Date:

| | | | | | | |
|------------------------|----|------|----------|----|--------|----|
| Cal. yr. | | Ctl. | Fis. yr. | | Mth. | |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| For fiscal year ending | | | (month) | | (year) | |

| | FROM OR TO PARENT, SUBSIDIARIES AND AFFILIATES IN | | FROM OR TO ALL OTHER NON-RESIDENTS IN | | FROM OR TO SOURCES IN CANADA | TOTAL | For Dept. use only |
|--|---|-------------------------------|---|-------------------------------|---------------------------------------|-------|-----------------------------|
| | U.S.A. | Other foreign countries | U.S.A. | Other foreign countries | | | |
| (express all amounts in thousands of Canadian dollars) | | | | | | | |
| INCOME: | | | | | | | |
| 1. Sales or principal revenue 01 | | | | | | | |
| 2. Dividends 02A | | | | | | | |
| 3. Interest 02B | | | | | | | |
| 4. Royalties 03A | | | | | | | |
| 5. Management and administration fees 03B | | | | | | | |
| 6. Rent on property & equipment . 04A | | | | | | | |
| 7. Scientific research and develop- ment..... 04B | | | | | | | |
| 8. Balance of other income 05 | | | | | | | |
| 9. Total income 06 | | | | | | | |
| EXPENSES: | | | | | | | |
| 1. Purchase of merchandise: | | | | | | | |
| a) Materials & components07 | | | | | | | |
| b) Goods for re-sale 08A | | | | | | | |
| c) Total purchases 07 + 08A | | | | | | | |
| 2. Salaries & wages..... 08B | | | | | | | |
| 3. Interest 09A | | | | | | | |
| 4. Royalties 09B | | | | | | | |
| 5. Management, administrative & directors fees 10A | | | | | | | |
| 6. Rent on property & equipment . 10B | | | | | | | |
| 7. Scientific research & development11A | | | | | | | |
| 8. Other expenses including balance of costs of sales and inventory adjustment (specify major items) 11B | | | | | | | |
| 9. Provision for depreciation depletion & amortization 12A | | | | | | | |
| 10. Provisions for income tax 12B | | | | | | | |
| 11. Other provisions or reserves charged to expenses 12C | | | | | | | |
| 12. Total expenses..... 12D | | | | | | | |
| 13. Net profit 12E | | | | | | | |
| OTHER ITEMS: | | | | | | | |
| 1. Dividends declared 13A | | | | | | | |
| 2. Capital purchases of machinery and equipment 13B | | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| A | B | C | D | E | F |
|---|---|---|---|---|---|

Edited

Date

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE
SELECTED INFORMATION ON COMPANIES IN CANADA
WHOLLY OR LARGELY FOREIGN-OWNED

IMPORTANT

The information requested in this return will be used primarily within the collecting agency to analyze company and industry trends but on occasion may be used on a limited basis, by the Departments of Industry, Trade and Commerce, Finance, and by the Bank of Canada in dealing with matters of concern to them relating to points covered in the guiding principles. Such information will be available only to certain authorized officials in the Bank and the above Departments and they will be under obligation to maintain its confidentiality.

Name of Company:

Nature of business:

Mailing address:

Address of principal office in Canada – If same as above check ☐

Name of parent:

Country of incorporation of parent:

INSTRUCTIONS

This report to be completed for quarterly periods is designed to provide information on changes in patterns of financing and, in particular, on any significant shift between domestic and foreign sources of financing. In addition to the selected financial data requested in this questionnaire, companies are also asked to submit a copy of the "Quarterly Survey, Financial Statistics" return sent to the Business Finance Division of Statistics Canada, or alternately, to grant permission to obtain a copy of the return from the Business Finance Division. We have been anxious to limit the burden of the provision of information by companies and your co-operation with respect to the release of the Quarterly Survey return, will contribute to this end.

I authorize Statistics Canada to release to the Department of Industry, Trade and Commerce, for the purposes outlined above, copies of the "Quarterly Survey, Corporation Financial Statements" beginning with 4th quarter 1964 and for subsequent quarters until I further advise you in writing.

| Name | Position | Date |
|---|----------|-----------------------|
| THIS REPORT IS FOR THE END OF YOUR THREE-MONTH PERIOD | | |
| If one of your fiscal periods ends in: | | Report figures dated: |
| January, February or March | | First Quarter |
| April, May or June | | Second Quarter |
| July, August or September | | Third Quarter |
| October, November or December | | Fourth Quarter |

If possible consolidate with accounts of all Canadian subsidiaries and attach list of names of such subsidiaries. In this list indicate those corporations excluded from the Corporation Financial Statements Consolidation and indicate "Reports separately" if such is the case.

If you have any Canadian subsidiaries whose assets exceeded \$1 million at the latest fiscal year end and which are not covered in this report, attach list.

Any queries in regard to these forms should be directed to the Corporation Return Division, Investment Analysis Branch, Department of Industry, Trade and Commerce, Ottawa. Telephone 992-0344.

Chief, Corporation Returns Division, Telephone 995-7722,

or

Director, Investment Analysis Branch, Telephone 992-3847.

The report should be submitted within 30 days of receipt of this request.

COMPLETED RETURNS SHOULD BE SENT TO: Corporation Returns Division,
Investment Analysis Branch,
Department of Industry, Trade and Commerce,
Ottawa, Ontario.
K1A 0H5

COMMENTS: Explain the nature of any special transactions or changes in dividend policy, accounting practices or corporate structure that would aid in the interpretation of this report.

Name of person responsible for this report: (Print) Position:

Telephone No.

Signature:

Date:

| | | | | | |
|---|----|----|----|----|----|
| | | | | | |
| 11 | 12 | 13 | 14 | 15 | 16 |
| For fiscal quarter ending (Month) (Year) | | | | | |

NOTE

Do not reflect in these balances any transactions with companies which are included in your consolidation.

| Geographical Allocation | | | | | |
|--|-------------------------------------|--------------|---------|-----------------------|--|
| In U.S.A. | In Other Foreign Countries | In Canada | TOTAL | For Dept. Use Only | |
| (Express all amounts in thousands of Canadian dollars) | | | | | |
| 1. SELECTED ASSETS: | | | | | |
| Investments in and claims on parent, subsidiary or affiliated companies: | | | | | |
| (a) Investment in shares of sub- sidiaries or affiliated com- panies (01) | (19-28) | (29-38) | (39-48) | (49-58) | |
| (b) Other investments in sub- sidiaries or affiliated companies... (02) | | | | | |
| (c) Advances to parent, sub- sidiaries or affiliated companies... (03) | | | | | |
| (d) Other claims or amounts due from parent, subsidiaries or affiliated companies (04) | | | | | |
| 2. LIABILITIES: | | | | | |
| (a) Canadian chartered bank loans (including foreign branches and agencies of banks) (05) | | | | | |
| (b) Foreign Bank loans (06) | | | | | |
| (c) All debt owing to parent, sub- sidiary and affiliated compa- nies, including trade and other payables, bonds, debentures, notes, short and long term debt . (07) | | | | | |
| (d) Debt owing to others: | | | | | |
| (i) Short term loans ² (08) | | | | | |
| (ii) Bonds & debentures (09) | | | | | |
| (iii) Other long term debt ³ (10) | | | | | |
| 3. AMOUNT OF PAID-IN CAPITAL: | | | | | |
| (a) Held by parent, subsidiary or affiliated companies (11) | | | | | |
| (b) Held by others (12) | | | | | |
| 4. NET DIVIDENDS PAID: ⁴ | | | | | |
| (a) To parent, subsidiary or affiliated companies (13) | | | | | |
| Amount of 4(a) credited to investment, trade or other account (14) | | | | | |
| (b) To others. (15) | | | | | |
| 5. AMOUNT OF TAX WITHHELD ON DIVIDENDS PAID | | | | | |
| \$00 | | | | | |
| (59-68) | | | | | |

¹Specify the currency if other than Canadian dollars.

²Paper with an original term to maturity of one year or less. Include Bankers' Acceptances.

³Long term debt refers to debt having an original term greater than one year and include amounts coming due within one year.

⁴Net excludes withholding tax (see item 5).

| | | | | | | |
|---------|-------|---|---|---|---|---|
| Edited: | Date: | A | B | C | D | E |
| | | | | | | |

APPENDIX III

Current Transactions with Residents of the United States, of Other Foreign Countries, of All Foreign Countries, of Canada and of All Countries, All Reporting Corporations, 1969 to 1971

In millions of dollars

| Year and item | United States | Other foreign countries | All foreign countries | Canada | All countries |
|--|---------------|-------------------------|-----------------------|----------|---------------|
| <i>1969</i> | | | | | |
| Sales | 5,115.3 | 1,154.6 | 6,269.9 | 18,188.0 | 24,457.9 |
| Other receipts | 27.9 | 65.2 | 93.1 | 461.4 | 554.5 |
| Total income | 5,143.3 | 1,219.7 | 6,363.0 | 18,649.3 | 25,012.4 |
| Purchase of merchandise | 4,651.0 | 891.6 | 5,542.6 | 8,171.4 | 13,714.0 |
| Other current expenses | 453.3 | 47.2 | 500.5 | 7,983.0 | 8,483.5 |
| Total purchases of merchandise and other current expenses | 5,104.3 | 938.8 | 6,043.1 | 16,154.4 | 22,197.5 |
| Profit before provisions for income taxes, depreciation, etc. | | | | | 2,814.8 |
| Provisions for income taxes | | | | | 774.6 |
| Provisions for depreciation, etc. | | | | | 981.4 |
| Total deductions | | | | | 23,953.5 |
| Net profit | | | | | 1,058.8 |
| Balance of income credited to retained earnings | | | | | 660.7 |
| Dividends paid | 298.9 | 39.6 | 338.4 | 59.6 | 398.1 |
| Capital equipment purchased | 168.3 | 18.0 | 186.3 | 898.9 | 1,085.2 |
| <i>1970</i> | | | | | |
| Sales | 5,132.3 | 1,346.5 | 6,478.8 | 18,247.8 | 24,726.6 |
| Other receipts | 31.6 | 56.4 | 88.0 | 497.4 | 585.4 |
| Total income | 5,163.9 | 1,402.9 | 6,566.8 | 18,745.3 | 25,312.1 |
| Purchase of merchandise | 4,371.2 | 917.6 | 5,288.7 | 8,516.0 | 13,804.7 |
| Other current expenses | 456.2 | 66.2 | 522.4 | 8,397.5 | 8,919.8 |
| Total purchases of merchandise and other current expenses | 4,827.4 | 983.8 | 5,811.1 | 16,913.4 | 22,724.6 |
| Profit before provisions for income taxes, depreciation, etc. | | | | | 2,587.5 |
| Provisions for income taxes | | | | | 645.9 |
| Provisions for depreciation, etc. | | | | | 1,107.9 |
| Total deductions | | | | | 24,478.4 |
| Net profit | | | | | 833.7 |
| Balance of income credited to retained earnings | | | | | 395.6 |
| Dividends paid | 331.6 | 41.0 | 372.6 | 65.5 | 438.2 |
| Capital equipment purchased | 204.9 | 33.4 | 238.3 | 968.7 | 1,207.0 |

APPENDIX III

Current Transactions with Residents of the United States, of Other Foreign Countries, of All Foreign Countries, of Canada and of All Countries, All Reporting Corporations, 1969 to 1971 (cont'd)

In millions of dollars

| Year and item | United States | Other foreign countries | All foreign countries | Canada | All countries |
|--|---------------|-------------------------|-----------------------|----------|---------------|
| <i>1971</i> | | | | | |
| Sales | 5,872.8 | 1,375.2 | 7,247.9 | 20,893.7 | 28,141.7 |
| Other receipts | 60.5 | 64.9 | 125.4 | 505.8 | 631.3 |
| Total income | 5,933.3 | 1,440.1 | 7,373.3 | 21,399.6 | 28,772.9 |
| Purchase of merchandise | 5,294.2 | 1,003.9 | 6,298.1 | 9,646.8 | 15,944.9 |
| Other current expenses | 456.4 | 60.6 | 517.0 | 9,096.8 | 9,613.8 |
| Total purchases of merchandise and other current expenses | 5,750.6 | 1,064.4 | 6,815.1 | 18,743.6 | 25,558.7 |
| Profit before provisions for income taxes, depreciation, etc. | | | | | 3,214.2 |
| Provisions for income taxes | | | | | 841.9 |
| Provisions for depreciation, etc. | | | | | 1,165.8 |
| Total deductions | | | | | 27,566.4 |
| Net profit | | | | | 1,206.5 |
| Balance of income credited to retained earnings | | | | | 599.4 |
| Dividends paid | 497.1 | 44.7 | 541.8 | 65.3 | 607.1 |
| Capital equipment purchased | 139.8 | 18.5 | 158.3 | 833.3 | 991.6 |

Note: Totals and sub-totals throughout this publication may not add or subtract exactly, due to rounding.

APPENDIX IV

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971

In millions of dollars

| Mining and primary metals industry | In the United States | | | In other foreign countries | | |
|--|----------------------|--------------|--------------|----------------------------|--------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 298.3 | 338.8 | 351.7 | 131.2 | 161.1 | 153.4 |
| Merchandise imports | 61.7 | 78.2 | 79.5 | 12.1 | 7.3 | 9.3 |
| Capital equipment imported | 3.2 | 2.0 | 1.8 | 2.5 | 5.0 | 1.4 |
| Total import trade | 64.8 | 80.2 | 81.3 | 14.6 | 12.2 | 10.7 |
| Balance on merchandise trade | 233.5 | 258.6 | 270.4 | 116.6 | 148.9 | 142.7 |
| Other current receipts | 1.4 | 1.5 | 0.2 | 7.7 | 2.6 | 7.5 |
| Dividends paid | 28.1 | 33.9 | 9.0 | 0.8 | 0.8 | 0.9 |
| Other current payments | 16.0 | 15.8 | 13.2 | 7.8 | 6.1 | 8.2 |
| Total current payments | 44.1 | 49.7 | 22.2 | 8.7 | 6.9 | 9.1 |
| Balance on non-merchandise transactions | -42.8 | -48.2 | -22.0 | -1.0 | -4.2 | -1.6 |
| Total receipts | 299.7 | 340.2 | 351.9 | 138.9 | 163.8 | 160.9 |
| Total payments | 109.0 | 129.9 | 103.5 | 23.4 | 19.1 | 19.8 |
| Current account balance⁽¹⁾ | 190.7 | 210.4 | 248.4 | 115.6 | 144.7 | 141.1 |

| Gas and oil industry | In the United States | | | In other foreign countries | | |
|--|----------------------|---------------|---------------|----------------------------|---------------|---------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 509.4 | 584.5 | 751.8 | 60.0 | 60.6 | 33.6 |
| Merchandise imports | 195.5 | 193.9 | 224.8 | 398.2 | 404.0 | 474.8 |
| Capital equipment imported | 20.4 | 26.9 | 26.0 | 3.3 | 5.8 | 2.5 |
| Total import trade | 215.9 | 220.8 | 250.9 | 401.6 | 409.9 | 477.3 |
| Balance on merchandise trade | 293.5 | 363.6 | 501.0 | -341.5 | -349.2 | -443.8 |
| Other current receipts | 4.8 | 6.8 | 25.6 | 22.8 | 25.5 | 22.3 |
| Dividends paid | 114.0 | 87.6 | 206.5 | 22.6 | 22.9 | 22.4 |
| Other current payments | 70.6 | 70.7 | 79.7 | 16.9 | 37.4 | 25.9 |
| Total current payments | 184.7 | 158.4 | 286.2 | 39.5 | 60.3 | 48.3 |
| Balance on non-merchandise transactions | -179.8 | -151.5 | -260.6 | -16.7 | -34.8 | -26.0 |
| Total receipts | 514.3 | 591.3 | 777.5 | 82.8 | 86.2 | 55.8 |
| Total payments | 400.6 | 379.2 | 537.1 | 441.0 | 470.2 | 525.6 |
| Current account balance (1) | 113.7 | 212.1 | 240.4 | -358.2 | -384.0 | -469.8 |

APPENDIX IV

Current International Transactions With Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Machinery and metal fabricating | In the United States | | | In other foreign countries | | |
|---|----------------------|--------|--------|----------------------------|------|------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 180.9 | 230.9 | 280.2 | 50.9 | 65.2 | 60.5 |
| Merchandise imports | 322.9 | 309.3 | 406.5 | 34.3 | 39.9 | 53.9 |
| Capital equipment imported | 59.0 | 53.3 | 48.0 | 4.3 | 4.3 | 8.8 |
| Total import trade | 381.9 | 362.6 | 454.6 | 38.6 | 44.2 | 62.6 |
| Balance on merchandise trade | -200.9 | -131.7 | -174.3 | 12.3 | 20.9 | -2.2 |
| Other current receipts | 0.9 | 1.3 | 3.6 | 1.3 | 2.1 | 2.8 |
| Dividends paid | 40.7 | 23.2 | 44.5 | 0.4 | 0.4 | 0.3 |
| Other current payments | 49.5 | 53.0 | 52.7 | 2.1 | 2.5 | 3.2 |
| Total current payments | 90.1 | 76.2 | 97.2 | 2.5 | 2.9 | 3.5 |
| Balance on non-merchandise transactions | -89.3 | -75.0 | -93.6 | -1.2 | -0.8 | -0.7 |
| Total receipts | 181.8 | 232.1 | 283.9 | 52.2 | 67.3 | 63.2 |
| Total payments | 472.0 | 438.8 | 551.8 | 41.1 | 47.2 | 66.1 |
| Current account balance (1) | -290.2 | -206.6 | -267.9 | 11.1 | 20.2 | -2.9 |

| Transportation equipment | In the United States | | | In other foreign countries | | |
|---|----------------------|---------|---------|----------------------------|-------|-------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 2,965.0 | 2,815.3 | 3,357.9 | 173.0 | 193.4 | 155.0 |
| Merchandise imports | 3,117.4 | 2,865.8 | 3,540.0 | 64.2 | 77.3 | 97.4 |
| Capital equipment imported | 49.4 | 82.6 | 34.5 | 0.6 | 11.6 | 2.4 |
| Total import trade | 3,166.8 | 2,948.4 | 3,574.5 | 64.9 | 88.8 | 99.8 |
| Balance on merchandise trade | -201.8 | -133.1 | -216.6 | 108.1 | 104.6 | 55.1 |
| Other current receipts | 8.7 | 10.4 | 18.9 | 14.8 | 16.2 | 21.0 |
| Dividends paid | 14.8 | 62.7 | 73.9 | — | — | — |
| Other current payments | 145.0 | 154.8 | 149.2 | 0.2 | 0.3 | 2.3 |
| Total current payments | 159.8 | 217.6 | 223.0 | 0.3 | 0.3 | 2.4 |
| Balance on non-merchandise transactions | -151.1 | -207.2 | -204.1 | 14.5 | 15.9 | 18.6 |
| Total receipts | 2,973.6 | 2,825.7 | 3,376.8 | 187.8 | 209.6 | 175.9 |
| Total payments | 3,326.6 | 3,166.0 | 3,797.6 | 65.1 | 89.2 | 102.2 |
| Current account balance (1) | -352.9 | -340.3 | -420.7 | 122.6 | 120.5 | 73.8 |

APPENDIX IV

Current International Transactions With Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Electrical products | In the United States | | | In other foreign countries | | |
|--|----------------------|---------------|---------------|----------------------------|-------------|-------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 103.3 | 134.3 | 91.4 | 70.5 | 81.6 | 88.4 |
| Merchandise imports | 183.9 | 204.7 | 246.8 | 77.6 | 67.4 | 45.0 |
| Capital equipment imported | 7.9 | 7.3 | 3.8 | 2.8 | 1.7 | 0.3 |
| Total import trade | 191.8 | 212.0 | 250.6 | 80.4 | 69.1 | 45.3 |
| Balance on merchandise trade | -88.5 | -77.6 | -159.1 | -10.0 | 12.5 | 43.2 |
| Other current receipts | 0.3 | 0.6 | 4.4 | 0.9 | 0.4 | 0.5 |
| Dividends paid | 19.7 | 14.9 | 15.7 | 0.9 | 1.3 | 1.2 |
| Other current payments | 21.8 | 18.4 | 20.3 | 1.7 | 2.1 | 2.0 |
| Total current payments..... | 41.5 | 33.2 | 36.0 | 2.6 | 3.4 | 3.2 |
| Balance on non-merchandise transactions | -41.2 | -32.6 | -31.6 | -1.7 | -3.0 | -2.7 |
| Total receipts | 103.6 | 134.9 | 95.8 | 71.4 | 82.0 | 88.9 |
| Total payments | 233.3 | 245.2 | 286.5 | 83.0 | 72.5 | 48.4 |
| Current account balance (1) | -129.7 | -110.2 | -190.7 | -11.7 | 9.6 | 40.5 |

| Chemical products | In the United States | | | In other foreign countries | | |
|--|----------------------|---------------|---------------|----------------------------|-------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 103.8 | 94.2 | 89.4 | 48.0 | 64.2 | 58.2 |
| Merchandise imports | 216.9 | 214.4 | 221.8 | 35.9 | 48.6 | 31.2 |
| Capital equipment imported | 4.4 | 3.0 | 8.1 | 0.1 | 0.4 | 0.3 |
| Total import trade | 221.3 | 217.4 | 229.2 | 36.1 | 48.9 | 31.5 |
| Balance on merchandise trade | -117.5 | -123.2 | -140.4 | 11.9 | 15.3 | 26.6 |
| Other current receipts..... | 0.8 | 0.9 | 0.6 | 5.2 | 3.7 | 2.2 |
| Dividends paid | 27.9 | 23.4 | 22.6 | 7.4 | 5.8 | 10.7 |
| Other current payments | 29.8 | 31.0 | 29.8 | 3.8 | 2.9 | 2.7 |
| Total current payments..... | 57.7 | 54.4 | 52.4 | 11.2 | 8.7 | 13.4 |
| Balance on non-merchandise transactions | -56.9 | -53.4 | -51.8 | -6.1 | -5.0 | -11.2 |
| Total receipts..... | 104.6 | 95.1 | 90.1 | 53.2 | 67.9 | 60.4 |
| Total payments | 279.0 | 271.8 | 282.3 | 47.3 | 57.6 | 45.0 |
| Current account balance (1) | -174.4 | -176.7 | -192.2 | 5.8 | 10.3 | 15.4 |

APPENDIX IV

Current International Transaction With Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Food and beverage | In the United States | | | In other foreign countries | | |
|--|----------------------|---------------|---------------|----------------------------|--------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 44.0 | 56.4 | 61.5 | 52.4 | 53.2 | 55.7 |
| Merchandise imports | 118.1 | 112.7 | 114.0 | 88.4 | 103.0 | 106.7 |
| Capital equipment imported | 3.5 | 2.9 | 3.1 | 0.5 | 0.7 | 0.8 |
| Total import trade | 121.6 | 115.7 | 117.2 | 88.9 | 103.8 | 107.4 |
| Balance on merchandise trade | -77.5 | -59.3 | -55.7 | -36.5 | -50.6 | -51.8 |
| Other current receipts | 0.7 | 0.7 | 1.3 | 2.5 | 1.8 | 1.1 |
| Dividends paid | 10.9 | 24.8 | 39.3 | 2.1 | 2.6 | 3.0 |
| Other current payments | 19.3 | 19.5 | 21.2 | 2.5 | 3.2 | 2.6 |
| Total current payments | 30.3 | 44.2 | 60.5 | 4.6 | 5.9 | 5.6 |
| Balance on non-merchandise transactions | -29.6 | -43.5 | -59.2 | -2.1 | -4.0 | -4.5 |
| Total receipts | 44.7 | 57.1 | 62.8 | 54.9 | 55.0 | 56.8 |
| Total payments | 151.8 | 159.9 | 177.6 | 93.5 | 109.7 | 113.0 |
| Current account balance (1) | -107.1 | -102.8 | -114.9 | -38.5 | -54.6 | -56.2 |

| Pulp and paper | In the United States | | | In other foreign countries | | |
|--|----------------------|--------------|--------------|----------------------------|--------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 734.0 | 682.4 | 670.0 | 202.1 | 211.8 | 177.7 |
| Merchandise imports | 35.3 | 36.3 | 44.3 | 17.4 | 13.0 | 15.8 |
| Capital equipment imported | 5.1 | 5.8 | 2.7 | 1.8 | 1.4 | 1.3 |
| Total import trade | 40.3 | 42.1 | 47.0 | 19.2 | 14.4 | 17.1 |
| Balance on merchandise trade | 693.7 | 640.3 | 623.1 | 182.9 | 197.3 | 160.6 |
| Other current receipts | 5.1 | 2.6 | 2.8 | 6.3 | 4 | 4.2 |
| Dividends paid | 10.7 | 26.9 | 33.4 | 3.5 | 3.5 | 4.5 |
| Other current payments | 41.9 | 41.0 | 41.5 | 8.4 | 9.4 | 9.8 |
| Total current payments | 52.6 | 67.9 | 74.9 | 12.0 | 12.9 | 14.4 |
| Balance on non-merchandise transactions | -47.5 | -65.3 | -72.2 | -5.7 | -12.9 | -10.2 |
| Total receipts | 739.2 | 685.1 | 672.8 | 208.4 | 211.8 | 181.9 |
| Total payments | 92.9 | 110.0 | 121.9 | 31.2 | 27.4 | 31.4 |
| Current account balance (1) | 646.2 | 575.0 | 550.9 | 177.2 | 184.4 | 150.5 |

APPENDIX IV

Current International Transactions With Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Other manufacturint | In the United States | | | In other foreign countries | | |
|---|----------------------|--------|--------|----------------------------|------|------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 56.1 | 68.6 | 64.6 | 68.0 | 46.6 | 53.5 |
| Merchandise imports | 187.2 | 176.2 | 197.3 | 33.4 | 37.2 | 38.6 |
| Capital equipment imported | 13.1 | 15.5 | 7.9 | 2.0 | 2.4 | 0.8 |
| Total import trade | 200.3 | 191.7 | 205.2 | 35.4 | 39.6 | 39.4 |
| Balance on merchandise trade | -144.2 | -123.1 | -140.6 | 32.6 | 7.0 | 14.0 |
| Other current receipts | 4.0 | 5.2 | 1.7 | 3.1 | 2.4 | 2.1 |
| Dividends paid | 17.8 | 21.4 | 19.4 | 0.1 | 0.1 | 0.1 |
| Other current payments | 23.7 | 27.4 | 27.7 | 0.5 | 0.5 | 0.8 |
| Total current payments | 41.5 | 48.8 | 47.2 | 0.7 | 0.7 | 0.9 |
| Balance on non-merchandise transactions | -37.5 | -43.6 | -45.4 | 2.4 | 1.8 | 1.2 |
| Total receipts | 60.1 | 73.8 | 66.3 | 71.1 | 49.1 | 55.6 |
| Total payments | 241.8 | 240.5 | 252.4 | 36.1 | 40.3 | 40.3 |
| Current account balance (1) | -181.7 | -166.7 | -186.1 | 35.1 | 8.8 | 15.3 |

| Wholesale trade | In the United States | | | In other foreign countries | | |
|---|----------------------|-------|-------|----------------------------|-------|-------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 107.2 | 116.9 | 145.4 | 298.0 | 408.7 | 538.1 |
| Marchandise imports | 142.7 | 132.0 | 172.8 | 107.8 | 99.6 | 104.9 |
| Capital equipment imported | 1.7 | 3.1 | 3.0 | — | — | — |
| Total import trade | 144.4 | 135.1 | 175.8 | 107.8 | 99.6 | 104.9 |
| Balance on merchandise trade | -37.2 | -18.2 | -30.4 | 190.2 | 309.1 | 433.1 |
| Other current receipts | 0.1 | 0.1 | 0.2 | 0.6 | 1.0 | 1.0 |
| Dividends paid | 4.8 | 1.1 | 3.6 | 0.9 | 2.7 | 0.7 |
| Other current payments | 3.9 | 4.5 | 3.8 | 1.3 | 1.2 | 1.3 |
| Total current payments | 8.6 | 5.6 | 7.4 | 2.2 | 3.9 | 2.0 |
| Balance on non-merchandise transactions | -8.6 | -5.5 | -7.2 | -1.6 | -2.9 | -1.0 |
| Total receipts | 107.2 | 117.0 | 145.6 | 298.6 | 409.7 | 539.0 |
| Total payments | 153.0 | 140.7 | 183.2 | 110.0 | 103.5 | 107.0 |
| Current account balance (1) | -45.8 | -23.7 | -37.6 | 188.7 | 306.2 | 432.1 |

APPENDIX IV

Current International Transactions With Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Other non-manufacturing | In the United States | | | In other foreign countries | | |
|--|----------------------|--------------|--------------|----------------------------|--------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 13.5 | 10.1 | 8.7 | 0.5 | — | 1.2 |
| Merchandise imports | 69.5 | 47.7 | 46.3 | 22.1 | 20.2 | 26.2 |
| Capital equipment imported | 0.8 | 2.5 | 0.9 | — | — | — |
| Total import trade | 70.3 | 50.2 | 47.2 | 22.1 | 20.2 | 26.2 |
| Balance on merchandise trade | -56.8 | -40.1 | -38.5 | -21.6 | -20.2 | -24.9 |
| Other current receipts | 1.1 | 1.5 | 1.1 | — | 0.3 | 0.3 |
| Dividends paid | 9.4 | 11.6 | 29.1 | 0.7 | 0.8 | 0.7 |
| Other current payments | 31.8 | 20.2 | 17.4 | 1.9 | 0.5 | 1.8 |
| Total current payments | 41.2 | 31.8 | 46.5 | 2.6 | 1.3 | 2.5 |
| Balance on non-merchandise transactions | -40.2 | -30.3 | -45.4 | -2.6 | -1.0 | -2.2 |
| Total receipts | 14.5 | 11.6 | 9.8 | 0.5 | 0.3 | 1.5 |
| Total payments | 111.6 | 82.0 | 93.7 | 24.8 | 21.6 | 28.7 |
| Current account balance (1) | -97.0 | -70.4 | -83.9 | -24.3 | -21.2 | -27.2 |

(1) For qualifications on the concept of 'current account balance' used throughout this publication, see footnote to Table 2.

APPENDIX V

Current International Transactions With Parents and Affiliates in the United States and in Other Foreign Countries,
All Reporting Corporations, by Industry, Annually, 1969 to 1971

In millions of dollars

| Mining and primary metals industry | In the United States | | | In other foreign countries | | |
|---|----------------------|-------|-------|----------------------------|------|------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 247.1 | 285.1 | 279.2 | 24.4 | 22.6 | 19.7 |
| Merchandise imports | 53.5 | 65.2 | 64.4 | 6.0 | 2.7 | 4.0 |
| Capital equipment imported | 0.7 | 0.1 | 0.4 | 1.3 | 3.9 | 0.6 |
| Total import trade | 54.1 | 65.3 | 64.8 | 7.2 | 6.6 | 4.6 |
| Balance on international merchandise trade | 193.0 | 219.8 | 214.5 | 17.2 | 16.0 | 15.2 |
| Other current receipts from abroad | 0.4 | 1.2 | 0.2 | 7.5 | 1.8 | 6.8 |
| Dividends paid abroad | 27.9 | 33.8 | 8.8 | 0.8 | 0.3 | 0.3 |
| Other current payments abroad | 6.9 | 8.0 | 8.4 | 7.0 | 5.8 | 6.4 |
| Total current payments abroad | 34.8 | 41.8 | 17.3 | 7.8 | 6.1 | 6.8 |
| Balance on current international non-merchandise transactions | -34.4 | -40.6 | -17.1 | -0.3 | -4.4 | 0.1 |
| Total receipts from abroad | 247.6 | 286.3 | 279.4 | 31.9 | 24.4 | 26.6 |
| Total payments abroad | 88.9 | 107.0 | 82.1 | 15.0 | 12.8 | 11.3 |
| Current account balance | 158.6 | 179.3 | 197.3 | 16.9 | 11.6 | 15.2 |

| Gas and oil industry | In the United States | | | In other foreign countries | | |
|---|----------------------|--------|--------|----------------------------|--------|--------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 355.2 | 398.5 | 410.8 | 28.0 | 25.3 | 15.3 |
| Merchandise imports | 159.7 | 160.8 | 199.5 | 386.9 | 370.5 | 458.4 |
| Capital equipment imported | 0.1 | 0.2 | 0.1 | — | 0.2 | — |
| Total import trade | 159.8 | 161.0 | 199.6 | 387.0 | 370.7 | 458.4 |
| Balance on international merchandise trade | 195.5 | 237.4 | 211.2 | -359.0 | -345.3 | -443.2 |
| Other current receipts from abroad | 1.5 | 1.6 | 17.2 | 20.5 | 22.4 | 22.3 |
| Dividends paid abroad | 109.0 | 83.1 | 199.2 | 19.1 | 19.6 | 19.5 |
| Other current payments abroad | 32.3 | 34.3 | 39.7 | 11.7 | 34.1 | 22.6 |
| Total current payments abroad | 141.3 | 117.4 | 238.9 | 30.7 | 53.6 | 42.0 |
| Balance on current international non-merchandise transactions | -139.8 | -115.9 | -221.8 | -10.3 | -31.2 | -19.8 |
| Total receipts from abroad | 356.7 | 400.0 | 428.0 | 48.4 | 47.7 | 37.5 |
| Total payments abroad | 301.0 | 278.4 | 438.6 | 417.8 | 424.3 | 500.5 |
| Current account balance | 55.7 | 121.6 | -10.5 | -369.3 | -376.6 | -462.9 |

APPENDIX V

Current International Transactions With Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Machinery and metal fabricating industry | In the United States | | | In other foreign countries | | |
|--|----------------------|---------------|---------------|----------------------------|------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 175.2 | 222.2 | 255.0 | 34.5 | 46.7 | 32.5 |
| Merchandise imports | 250.1 | 238.3 | 311.4 | 27.3 | 33.8 | 48.4 |
| Capital equipment imported | 55.4 | 48.3 | 44.4 | 3.7 | 3.6 | 8.7 |
| Total import trade | 305.5 | 286.6 | 355.7 | 31.0 | 37.5 | 57.0 |
| Balance on international merchandise trade | -130.3 | -64.4 | -100.7 | 3.6 | 9.2 | -24.6 |
| Other current receipts from abroad | 0.8 | 1.2 | 3.6 | 1.3 | 1.8 | 2.7 |
| Dividends paid abroad | 40.7 | 23.2 | 44.5 | 0.4 | 0.4 | 0.3 |
| Other current payments abroad | 46.2 | 49.6 | 49.1 | 0.8 | 1.2 | 1.8 |
| Total current payments abroad | 86.9 | 72.7 | 93.6 | 1.1 | 1.6 | 2.2 |
| Balance on current international non-merchandise transactions | -86.1 | -71.5 | -90.0 | 0.2 | 0.2 | 0.6 |
| Total receipts from abroad | 176.0 | 223.5 | 258.6 | 35.8 | 48.5 | 35.2 |
| Total payments abroad | 392.4 | 359.4 | 449.3 | 32.1 | 39.1 | 59.2 |
| Current account balance | -216.4 | -135.9 | -190.7 | 3.7 | 9.4 | -24.0 |

| Transportation equipment industry | In the United States | | | In other foreign countries | | |
|--|----------------------|---------------|---------------|----------------------------|--------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 2,736.7 | 2,581.2 | 3,193.6 | 53.3 | 63.2 | 49.7 |
| Merchandise imports | 2,471.5 | 2,214.2 | 2,873.7 | 56.1 | 69.4 | 88.2 |
| Capital equipment imported | 17.8 | 25.8 | 17.8 | 0.6 | 11.5 | 1.5 |
| Total import trade | 2,489.3 | 2,240.0 | 2,891.5 | 56.7 | 81.0 | 89.7 |
| Balance on international merchandise trade | 247.3 | 341.3 | 302.2 | -3.5 | -17.7 | -40.0 |
| Other current receipts from abroad | 8.2 | 9.5 | 16.6 | 11.8 | 12.4 | 16.6 |
| Dividends paid abroad | 12.6 | 60.3 | 71.4 | — | — | — |
| Other current payments abroad | 126.4 | 137.1 | 134.4 | — | -0.1 | 2.0 |
| Total current payments abroad | 139.0 | 197.4 | 205.8 | — | -0.1 | 2.0 |
| Balance on current international non-merchandise transactions | -130.8 | -187.9 | -189.2 | 11.8 | 12.4 | 14.7 |
| Total receipts from abroad | 2,744.9 | 2,590.7 | 3,210.2 | 65.0 | 75.6 | 66.4 |
| Total payments abroad | 2,628.4 | 2,437.4 | 3,097.3 | 56.6 | 80.9 | 91.7 |
| Current account balance | 116.5 | 153.3 | 112.9 | 8.4 | -5.3 | -25.3 |

APPENDIX V

Current International Transactions With Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Electrical products industry | In the United States | | | In other foreign countries | | |
|--|----------------------|--------------|---------------|----------------------------|--------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 56.8 | 72.8 | 52.6 | 11.0 | 13.0 | 15.5 |
| Merchandise imports | 127.4 | 131.2 | 162.6 | 61.4 | 53.4 | 33.0 |
| Capital equipment imported | 6.0 | 5.3 | 1.6 | 2.2 | 1.3 | — |
| Total import trade | 133.5 | 136.6 | 164.2 | 63.6 | 54.8 | 33.0 |
| Balance on international merchandise trade . . . | -76.7 | -63.8 | -111.6 | -52.7 | -41.7 | -17.6 |
| Other current receipts from abroad | 0.1 | 0.3 | 4.2 | — | 0.1 | 0.1 |
| Dividends paid abroad | 19.3 | 14.3 | 15.2 | 0.9 | 1.2 | 1.2 |
| Other current payments abroad | 17.2 | 15.7 | 17.4 | 1.5 | 2.0 | 1.8 |
| Total current payments abroad | 36.5 | 30.1 | 32.6 | 2.4 | 3.3 | 3.0 |
| Balance on current international non-merchandise transactions | -36.4 | -29.8 | -28.4 | -2.4 | -3.2 | -2.8 |
| Total receipts from abroad | 56.9 | 73.0 | 56.9 | 11.0 | 13.1 | 15.6 |
| Total payments abroad | 170.0 | 166.6 | 196.8 | 66.1 | 58.0 | 36.0 |
| Current account balance | -113.1 | -93.6 | -140.0 | -55.1 | -44.9 | -20.4 |

| Chemical products industry | In the United States | | | In other foreign countries | | |
|--|----------------------|---------------|---------------|----------------------------|-------------|--------------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 45.9 | 60.6 | 55.2 | 33.4 | 46.6 | 41.8 |
| Merchandise imports | 137.6 | 130.9 | 133.7 | 18.3 | 16.2 | 12.0 |
| Capital equipment imported | 0.6 | 0.4 | 2.8 | — | 0.1 | 0.1 |
| Total import trade | 138.2 | 131.3 | 136.5 | 18.4 | 16.3 | 12.1 |
| Balance on international merchandise trade . . . | -92.3 | -70.6 | -81.3 | 15.0 | 30.2 | 29.7 |
| Other current receipts from abroad | 0.2 | 0.7 | 0.2 | 3.3 | 2.7 | 1.8 |
| Dividends paid abroad | 27.8 | 23.3 | 22.5 | 7.4 | 5.7 | 10.7 |
| Other current payments abroad | 16.4 | 17.6 | 17.2 | 2.8 | 2.4 | 2.3 |
| Total current payments abroad | 44.2 | 40.9 | 39.7 | 10.2 | 8.1 | 13.0 |
| Balance on current international non-merchandise transactions | -44.0 | -40.3 | -39.4 | -6.9 | -5.4 | -11.3 |
| Total receipts from abroad | 46.1 | 61.3 | 55.5 | 36.7 | 49.3 | 43.6 |
| Total payments abroad | 182.4 | 172.2 | 176.2 | 28.5 | 24.4 | 25.1 |
| Current account balance | -136.4 | -110.9 | -120.7 | 8.1 | 24.8 | 18.4 |

APPENDIX V

Current International Transactions With Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Food and beverage industry | In the United States | | | In other foreign countries | | |
|---|----------------------|-------|-------|----------------------------|-------|-------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 31.0 | 37.3 | 44.5 | 6.9 | 5.7 | 6.0 |
| Merchandise imports | 57.4 | 48.0 | 45.1 | 38.2 | 46.6 | 43.6 |
| Capital equipment imported | 0.7 | 1.2 | 0.6 | 0.1 | — | — |
| Total import trade | 58.0 | 49.2 | 45.8 | 38.4 | 46.6 | 43.6 |
| Balance on international merchandise trade | -27.0 | -11.9 | -1.2 | -31.5 | -40.9 | -37.6 |
| Other current receipts from abroad | 0.2 | 0.3 | 0.5 | 2.3 | 1.7 | 0.6 |
| Dividends paid abroad | 10.9 | 24.7 | 39.2 | 2.1 | 2.6 | 3.0 |
| Other current payments abroad | 14.2 | 15.0 | 15.6 | 1.7 | 2.2 | 2.1 |
| Total current payments abroad | 25.0 | 39.7 | 54.8 | 3.8 | 4.9 | 5.1 |
| Balance on current international non-merchandise transactions | -24.8 | -39.4 | -54.3 | -1.6 | -3.2 | -4.5 |
| Total receipts from abroad | 31.2 | 37.6 | 45.0 | 9.2 | 7.4 | 6.7 |
| Total payments abroad | 83.1 | 88.9 | 100.6 | 42.2 | 51.5 | 48.7 |
| Current account balance | -51.8 | -51.3 | -55.6 | -33.0 | -44.1 | -42.0 |

| Pulp and paper industry | In the United States | | | In other foreign countries | | |
|---|----------------------|-------|-------|----------------------------|------|------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 432.8 | 372.5 | 372.2 | 41.6 | 48.2 | 51.1 |
| Merchandise imports | 7.7 | 9.4 | 17.2 | 5.3 | 4.7 | 7.1 |
| Capital equipment imported | 0.5 | 2.6 | 1.0 | — | — | — |
| Total import trade | 8.3 | 12.0 | 18.2 | 5.3 | 4.7 | 7.1 |
| Balance on international merchandise trade | 424.5 | 360.4 | 354.0 | 36.3 | 43.5 | 43.9 |
| Other current receipts from abroad | 4.8 | 2.2 | 2.6 | 6.2 | — | 4.0 |
| Dividends paid abroad | 10.7 | 26.7 | 25.1 | 3.4 | 3.3 | 4.4 |
| Other current payments abroad | 18.1 | 18.5 | 21.4 | 4.4 | 5.4 | 6.7 |
| Total current payment abroad | 28.8 | 45.2 | 46.5 | 7.8 | 8.7 | 11.1 |
| Balance on current international non-merchandise transactions | -24.0 | -43.1 | -43.9 | -1.6 | -8.7 | -7.0 |
| Total receipts from abroad | 437.6 | 374.6 | 374.8 | 47.8 | 48.2 | 55.1 |
| Total payments abroad | 37.1 | 57.2 | 64.7 | 13.1 | 13.4 | 18.2 |
| Current account balance | 400.5 | 317.4 | 310.1 | 34.7 | 34.8 | 36.9 |

APPENDIX V

Current International Transactions With Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Other manufacturing industries | In the United States | | | In other foreign countries | | |
|---|----------------------|--------|--------|----------------------------|-------|-------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 27.8 | 45.4 | 44.7 | 28.6 | 19.5 | 24.6 |
| Merchandise imports | 135.7 | 131.6 | 138.5 | 25.5 | 27.6 | 28.9 |
| Capital equipment imported | 4.1 | 2.6 | 1.3 | 0.9 | 1.2 | 0.4 |
| Total import trade | 139.8 | 134.2 | 139.8 | 26.4 | 28.8 | 29.3 |
| Balance on international merchandise trade | -112.0 | -88.9 | -95.2 | 2.2 | - 9.3 | - 4.7 |
| Other current receipts from abroad | 0.2 | 0.2 | 0.1 | 1.7 | 1.8 | 1.1 |
| Dividends paid abroad | 17.6 | 21.2 | 19.4 | - | 0.1 | 0.1 |
| Other current payments abroad | 21.2 | 22.4 | 23.3 | 0.4 | 0.2 | 0.3 |
| Total current payments abroad | 38.7 | 43.6 | 42.7 | 0.5 | 0.3 | 0.4 |
| Balance on current international non-merchandise transactions | -38.5 | -43.4 | -42.7 | 1.2 | 1.5 | 0.7 |
| Total receipts from abroad | 28.0 | 45.6 | 44.7 | 30.3 | 21.2 | 25.6 |
| Total payments abroad | 178.5 | 177.8 | 182.6 | 26.8 | 29.1 | 29.7 |
| Current account balance | -150.5 | -132.3 | -137.8 | 3.5 | - 7.8 | - 4.0 |

| Wholesale trade industry | In the United States | | | In other foreign countries | | |
|---|----------------------|-------|-------|----------------------------|-------|-------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 96.4 | 105.7 | 133.5 | 57.2 | 70.6 | 104.3 |
| Merchandise imports | 122.8 | 102.9 | 142.9 | 90.4 | 91.2 | 91.1 |
| Capital equipment imported | 1.6 | 3.0 | 3.0 | - | - | - |
| Total import trade | 124.4 | 105.9 | 145.8 | 90.4 | 91.2 | 91.1 |
| Balance on international merchandise trade | -27.9 | -0.2 | -12.3 | -33.3 | -20.6 | 13.2 |
| Other current receipts from abroad | 0.1 | 0.1 | - | 0.6 | 1.0 | 1.0 |
| Dividends paid abroad | 4.6 | 1.1 | 3.6 | 0.8 | 1.1 | 0.7 |
| Other current payments abroad | 3.4 | 4.4 | 3.6 | 0.3 | 0.2 | 0.2 |
| Total current payments abroad | 7.9 | 5.5 | 7.2 | 1.1 | 1.3 | 0.9 |
| Balance on current international non-merchandise transactions | -7.9 | -5.4 | -7.2 | -0.5 | -0.3 | 0.1 |
| Total receipts from abroad | 96.5 | 105.8 | 133.5 | 57.8 | 71.6 | 105.2 |
| Total payments abroad | 132.3 | 111.4 | 153.0 | 91.6 | 92.5 | 92.0 |
| Current account balance | -35.8 | -5.7 | -19.5 | -33.8 | -20.9 | 13.2 |

APPENDIX V

Current International Transactions With Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Other non-manufacturing industries | In the United States | | | In other foreign countries | | |
|---|----------------------|-------|-------|----------------------------|------|------|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| Export sales | 10.7 | 6.6 | 6.0 | — | — | 1.1 |
| Merchandise imports | 30.0 | 29.8 | 29.7 | — | — | 0.3 |
| Capital equipment imported | 0.1 | — | 0.3 | — | — | — |
| Total import trade | 30.1 | 29.8 | 30.0 | — | — | 0.3 |
| Balance on international merchandise trade..... | -19.4 | -23.2 | -24.1 | — | — | 0.8 |
| Other current receipts from abroad | 0.2 | 1.3 | 0.4 | — | — | 0.3 |
| Dividends paid abroad | 9.2 | 11.4 | 28.9 | 0.7 | 0.8 | 0.7 |
| Other current payments abroad | 28.3 | 17.1 | 14.6 | 1.2 | 0.3 | 1.2 |
| Total current payments abroad | 37.5 | 28.6 | 43.6 | 1.9 | 1.1 | 1.9 |
| Balance on current international non-merchandise transactions | -37.3 | -27.3 | -43.2 | -1.9 | -1.1 | -1.6 |
| Total receipts from abroad | 10.9 | 7.9 | 6.3 | — | — | 1.3 |
| Total payments abroad | 67.6 | 58.4 | 73.6 | 1.9 | 1.1 | 2.2 |
| Current account balance | -56.7 | -50.4 | -67.3 | -1.9 | -1.1 | -0.9 |

APPENDIX VI

Selected Sources of Funds from Residents of the United States, of Other Foreign Countries, of Canada and of All Countries. All Reporting Corporations, by Industry, 1971

| In millions of dollars | | | | | | | | |
|---------------------------------|------------|--|------------------|----------------------|----------------------|---|---------------------------|--------|
| Industry | Bank loans | Loans and advances by parents and affiliates | Short term loans | Bonds and debentures | Other long term debt | Paid-in capital by parents and affiliates | Paid-in capital by others | Total |
| United States | | | | | | | | |
| Mining and primary metals | -20.1 | 92.3 | - | 12.3 | -26.8 | 7.2 | -0.1 | 64.7 |
| Gas and oil | -7.4 | -42.9 | 6.8 | -1.7 | 5.4 | 135.8 | -10.3 | 85.8 |
| Machinery and metal fabricating | -1.5 | 32.6 | - | - | 0.1 | 25.6 | - | 56.8 |
| Transportation equipment | - | -172.5 | - | - | -2.2 | 3.7 | - | -171.0 |
| Electrical equipment | - | -13.6 | - | - | 0.1 | 0.6 | -0.2 | -13.1 |
| Chemical products | 1.5 | 41.2 | - | -3.6 | 2.8 | -0.7 | 0.1 | 41.2 |
| Food and beverage | -1.3 | 29.2 | 0.6 | -0.3 | -0.3 | 0.6 | - | 28.5 |
| Pulp and paper | 3.5 | 32.6 | 2.0 | -17.3 | 1.1 | 4.7 | - | 26.6 |
| Other manufacturing | - | 2.2 | - | -3.1 | -0.2 | 10.4 | -0.1 | 9.2 |
| Wholesale trade | 0.5 | 2.7 | 0.6 | - | - | -7.9 | - | -4.1 |
| Other non-manufacturing | -3.2 | -3.0 | - | -0.2 | -4.2 | -6.8 | 0.3 | -17.2 |
| Total | -28.0 | 0.9 | 9.9 | -14.0 | -24.1 | 173.2 | -10.5 | 107.4 |
| Other foreign countries | | | | | | | | |
| Mining and primary metals | - | -78.5 | - | - | - | -9.3 | -1.8 | -89.6 |
| Gas and oil | -9.9 | 53.6 | - | - | -4.0 | -4.2 | -3.6 | 31.9 |
| Machinery and metal fabricating | -4.2 | -0.1 | - | - | - | - | -2.1 | -6.4 |
| Transportation equipment | - | 3.5 | - | - | - | 3.0 | -0.2 | 6.3 |
| Electrical products | 0.3 | 4.9 | - | - | - | -1.0 | - | 4.2 |
| Chemical products | - | 8.4 | 8.3 | - | - | 0.3 | - | 0.4 |
| Food and beverage | - | 1.7 | 0.6 | - | - | - | - | 2.3 |
| Pulp and paper | 3.9 | 31.6 | - | - | - | 15.2 | - | 50.7 |
| Other manufacturing | 1.8 | 7.6 | - | - | - | 5.8 | 2.9 | 8.7 |
| Wholesale trade | 3.5 | -9.8 | - | - | 0.3 | 0.1 | - | 6.7 |
| Other non-manufacturing | - | -0.7 | - | - | - | - | - | -0.7 |
| Total | -4.5 | -9.8 | 9.0 | - | -4.4 | -2.5 | -4.9 | -17.2 |

APPENDIX VI

Selected Sources of Funds from Residents of the United States, of Other Foreign Countries, of Canada and of All Countries, All Reporting Corporations, by Industry, 1971 (cont'd)

In millions of dollars

| Industry | Bank loans | Loans and advances by parents and affiliates | Short term loans | Bonds and debentures | Other long term debt | Paid-in capital by parents and affiliates | Paid-in capital by others | Total |
|---------------------------------|---------------|--|------------------|----------------------|----------------------|---|---------------------------|--------------|
| <i>Canada</i> | | | | | | | | |
| Mining and primary metals | -7.3 | -1.0 | 32.1 | 1.1 | -1.4 | - | -4.1 | 19.5 |
| Gas and oil | 58.2 | 6.2 | -11.6 | -46.7 | 2.7 | -2.8 | 0.2 | 6.2 |
| Machinery and metal fabricating | -16.5 | -2.5 | -33.7 | 17.6 | 4.1 | - | 1.9 | -29.1 |
| Transportation equipment | 37.8 | -13.9 | -15.4 | -0.6 | -6.4 | - | -0.2 | 1.4 |
| Electrical products | -30.2 | -2.8 | -16.7 | 19.1 | -4.6 | - | 0.2 | -35.0 |
| Chemical products | -27.2 | -3.9 | 38.9 | -14.4 | -2.4 | - | 0.1 | -8.7 |
| Food and beverage | -30.9 | 4.7 | 21.2 | -1.3 | -8.1 | - | 0.1 | -14.2 |
| Pulp and paper | -50.7 | -2.2 | 1.7 | 37.5 | 3.5 | 10.0 | 7.8 | 7.5 |
| Other manufacturing | -92.9 | -1.2 | 6.0 | 14.6 | -1.0 | - | - | -74.6 |
| Wholesale trade | 15.9 | 24.1 | -5.9 | - | -0.9 | - | - | 33.2 |
| Other non-manufacturing | 1.7 | 25.6 | -7.8 | -18.3 | 48.7 | - | -0.6 | 49.3 |
| Total | -142.3 | 33.0 | 8.8 | 8.7 | 34.4 | 7.2 | 5.6 | -44.5 |
| <i>All countries</i> | | | | | | | | |
| Mining and primary metals | -27.4 | 12.8 | 32.1 | 13.4 | -28.2 | -2.1 | -6.0 | -5.4 |
| Gas and oil | 40.9 | 16.9 | -4.8 | -48.4 | 4.1 | 128.8 | -13.7 | 123.9 |
| Machinery and metal fabricating | -22.2 | 30.0 | 33.7 | 17.6 | 4.2 | 25.6 | 0.2 | 21.3 |
| Transportation equipment | 37.8 | 182.9 | 15.4 | 0.6 | -8.5 | 6.7 | 0.4 | 163.3 |
| Electrical products | -29.9 | -11.6 | -16.7 | 19.1 | -4.4 | -0.4 | - | -44.0 |
| Chemical products | -25.7 | 28.9 | 47.3 | -18.0 | 0.4 | -1.0 | 0.2 | 32.1 |
| Food and beverage | 32.1 | 35.6 | 22.4 | -1.6 | 8.4 | 0.6 | - | 16.5 |
| Pulp and paper | -43.4 | 62.0 | 3.7 | 20.2 | 4.6 | 29.9 | 7.9 | 84.8 |
| Other manufacturing | -91.2 | -6.5 | 6.0 | 11.5 | -1.2 | 4.6 | 2.8 | -74.1 |
| Wholesale trade | 19.9 | 17.0 | -5.3 | - | -1.2 | -8.0 | - | 22.4 |
| Other non-manufacturing | -1.6 | 21.9 | -7.8 | -18.6 | 44.6 | -6.8 | -0.3 | 31.4 |
| Total | -174.8 | 24.1 | 27.7 | -5.3 | 5.8 | 177.9 | -9.8 | 45.6 |

APPENDIX VII

Current International Transactions with All Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1969 to 1971

In millions of dollars

| Corporations controlled in: | 1969 | 1970 | 1971 |
|---|---------------|---------------|---------------|
| <i>United States</i> | | | |
| Export sales | 5,568.2 | 5,687.7 | 6,575.1 |
| Merchandise imports | 4,896.9 | 4,639.2 | 5,609.5 |
| Capital equipment imported | 169.4 | 224.9 | 150.2 |
| Total imports | 5,066.3 | 4,864.1 | 5,759.7 |
| Balance on merchandise trade | 501.9 | 823.6 | 815.4 |
| Other current receipts | 70.0 | 63.5 | 100.4 |
| Dividends paid | 298.5 | 332.7 | 496.4 |
| Other current payments | 441.5 | 460.2 | 453.0 |
| Total current payments | 740.0 | 792.9 | 949.4 |
| Balance on non-merchandise trade | -670.0 | -729.4 | -849.0 |
| Total receipts | 5,638.1 | 5,751.2 | 6,675.5 |
| Total payments | 5,806.3 | 5,657.0 | 6,709.1 |
| Current account balance | -168.2 | 94.2 | -33.6 |
| <i>Britain</i> | | | |
| Export sales | 422.6 | 485.6 | 387.0 |
| Merchandise imports | 370.2 | 362.1 | 383.5 |
| Capital equipment imported | 8.4 | 9.4 | 6.2 |
| Total imports | 378.6 | 371.6 | 389.7 |
| Balance on merchandise trade | 44.0 | 114.0 | -2.7 |
| Other current receipts | 9.2 | 10.2 | 11.0 |
| Dividends paid | 14.9 | 14.6 | 19.7 |
| Other current payments | 30.4 | 33.0 | 36.8 |
| Total current payments | 45.3 | 47.6 | 56.5 |
| Balance on non-merchandise trade | -36.1 | -37.4 | -45.5 |
| Total receipts | 431.8 | 495.8 | 398.0 |
| Total payments | 423.9 | 419.2 | 446.2 |
| Current account balance | 7.9 | 76.6 | -48.2 |

APPENDIX VII

Current International Transactions with All Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1969 to 1971 (cont'd)

In millions of dollars

| Corporations controlled in: | 1969 | 1970 | 1971 |
|--|-------|-------|-------|
| <i>Other foreign countries</i> | | | |
| Export sales | 279.2 | 305.5 | 285.9 |
| Merchandise imports | 275.5 | 287.4 | 305.1 |
| Capital equipment imported | 8.5 | 3.9 | 1.9 |
| Total imports | 284.0 | 291.4 | 307.0 |
| Balance on merchandise trade | -4.8 | 14.1 | -21.1 |
| Other current receipts | 13.9 | 14.2 | 13.9 |
| Dividends paid | 25.1 | 25.2 | 25.7 |
| Other current payments | 28.6 | 29.2 | 27.2 |
| Total current payments | 53.7 | 54.4 | 52.8 |
| Balance on non-merchandise trade | -39.8 | -40.2 | -38.9 |
| Total receipts | 293.1 | 319.7 | 299.8 |
| Total payments | 337.7 | 345.8 | 359.9 |
| Current account balance | -44.6 | -26.1 | -60.1 |

APPENDIX VIII

Total Sales, Exports to the United States and to All Countries and to Parents and Affiliates in the United States and in All Countries, and Total Purchases, Imports from the United States and from All Countries and from Parents and Affiliates in the United States and in All Countries, All Reporting Corporations, by Industry, Annually, 1964 to 1968

In millions of dollars

| Year and industry | Export sales | | | | Imports (1) | | | | | |
|---------------------------------------|------------------|------------------|---------------------|------------------|--------------------|--------------------|--------------------|------------------|-------|-------|
| | To parents, etc. | | Total purchases (1) | | Total | | From parents, etc. | | | |
| | To United States | To all countries | In United States | In all countries | From United States | From all countries | In United States | In all countries | | |
| 1964 | | | | | | | | | | |
| Mining and primary metals | 760 | 253 | 364 | 219 | 265 | 301 | 67 | 78 | 49 | 58 |
| Gas and oil | 2,813 | 251 | 277 | 162 | 176 | 1,516 | 92 | 380 | 78 | 341 |
| Machinery and metal fabricating | 1,111 | 52 | 99 | 50 | 86 | 631 | 218 | 245 | 175 | 195 |
| Transportation equipment..... | 2,615 | 253 | 375 | 96 | 138 | 1,629 | 662 | 715 | 424 | 462 |
| Electrical products | 962 | 34 | 90 | 21 | 42 | 514 | 123 | 153 | 81 | 106 |
| Chemical products | 1,120 | 68 | 109 | 25 | 50 | 575 | 170 | 189 | 98 | 108 |
| Food and beverage | 1,471 | 35 | 143 | 25 | 51 | 921 | 116 | 222 | 57 | 70 |
| Pulp and paper | 1,158 | 619 | 749 | 324 | 358 | 473 | 30 | 36 | 7 | 12 |
| Other manufacturing..... | 980 | 18 | 79 | 11 | 22 | 519 | 143 | 166 | 97 | 105 |
| Wholesale trade | 868 | 87 | 485 | 81 | 132 | 787 | 117 | 202 | 94 | 158 |
| Other non-manufacturing | 1,352 | 11 | 15 | 11 | 15 | 874 | 33 | 44 | 13 | 13 |
| Total | 15,210 | 1,681 | 2,785 | 1,025 | 1,335 | 8,740 | 1,771 | 2,430 | 1,173 | 1,628 |
| 1965 | | | | | | | | | | |
| Mining and primary metals | 805 | 244 | 367 | 201 | 253 | 351 | 77 | 88 | 60 | 71 |
| Gas and oil | 3,021 | 259 | 288 | 162 | 177 | 1,653 | 99 | 411 | 80 | 363 |
| Machinery and metal fabricating | 1,229 | 62 | 97 | 59 | 87 | 716 | 256 | 285 | 203 | 225 |
| Transportation equipment..... | 3,303 | 390 | 501 | 230 | 275 | 2,081 | 1,033 | 1,082 | 692 | 732 |
| Electrical products | 1,079 | 45 | 101 | 36 | 55 | 581 | 145 | 176 | 101 | 128 |
| Chemical products | 1,217 | 64 | 101 | 22 | 42 | 680 | 191 | 213 | 105 | 117 |
| Food and beverage | 1,500 | 32 | 134 | 20 | 48 | 925 | 123 | 201 | 57 | 69 |
| Pulp and paper..... | 1,249 | 664 | 792 | 341 | 374 | 534 | 32 | 40 | 7 | 13 |
| Other manufacturing..... | 1,080 | 28 | 85 | 19 | 33 | 587 | 171 | 197 | 111 | 120 |
| Wholesale trade | 957 | 97 | 530 | 92 | 138 | 878 | 144 | 237 | 116 | 183 |
| Other non-manufacturing..... | 1,534 | 13 | 15 | 13 | 14 | 1,022 | 40 | 62 | 14 | 14 |
| Total | 16,974 | 1,898 | 3,011 | 1,195 | 1,496 | 10,008 | 2,311 | 2,992 | 1,546 | 2,035 |

APPENDIX VIII

Total Sales, Exports to the United States and to All Countries and to Parents and Affiliates in the United States and in All Countries, and Total Purchases, Imports from the United States and from All Countries and from Parents and Affiliates in the United States and in All Countries, All Reporting Corporations, by Industry, Annually, 1964 to 1968 (cont'd)

In millions of dollars

| Year and industry | Export sales | | | | Imports (1) | | | | | |
|---|--------------|------------------|------------------|------------------|------------------|---------------------|--------------------|--------------------|--------------------|-------|
| | Total sales | Total | | To parents, etc. | | Total purchases (1) | Total | | From parents, etc. | |
| | | To United States | To all countries | In United States | In all countries | | From United States | From all countries | | |
| 1966 | | | | | | | | | | |
| Mining and primary metals | 873 | 263 | 389 | 217 | 268 | 407 | 75 | 88 | 60 | 70 |
| Gas and oil | 3,236 | 303 | 332 | 189 | 205 | 1,843 | 121 | 429 | 90 | 369 |
| Machinery and metal fabricating | 1,406 | 93 | 143 | 90 | 130 | 853 | 322 | 372 | 254 | 292 |
| Transportation equipment | 3,863 | 963 | 1,061 | 836 | 876 | 2,651 | 1,386 | 1,446 | 987 | 1,031 |
| Electrical products | 1,248 | 77 | 123 | 45 | 61 | 695 | 189 | 214 | 131 | 152 |
| Chemical products | 1,337 | 98 | 125 | 45 | 63 | 728 | 178 | 203 | 101 | 114 |
| Food and beverage | 1,661 | 43 | 138 | 23 | 38 | 1,044 | 124 | 204 | 55 | 69 |
| Pulp and paper | 1,348 | 706 | 833 | 408 | 439 | 624 | 30 | 41 | 8 | 15 |
| Other manufacturing | 1,177 | 36 | 90 | 23 | 36 | 620 | 156 | 183 | 109 | 119 |
| Wholesale trade | 1,082 | 127 | 637 | 121 | 166 | 978 | 152 | 229 | 126 | 173 |
| Other non-manufacturing | 1,853 | 9 | 10 | 9 | 10 | 1,242 | 44 | 72 | 17 | 18 |
| Total | 19,084 | 2,718 | 3,881 | 2,006 | 2,292 | 11,685 | 2,778 | 3,481 | 1,938 | 2,422 |
| 1967 | | | | | | | | | | |
| Mining and primary metals | 892 | 300 | 410 | 239 | 276 | 384 | 85 | 95 | 55 | 62 |
| Gas and oil | 3,562 | 347 | 399 | 236 | 266 | 2,045 | 130 | 468 | 93 | 407 |
| Machinery and metal fabricating | 1,504 | 119 | 175 | 115 | 157 | 848 | 320 | 384 | 261 | 317 |
| Transportation equipment | 4,643 | 1,634 | 1,748 | 1,417 | 1,471 | 3,184 | 1,902 | 1,966 | 1,348 | 1,397 |
| Electrical products | 1,314 | 98 | 161 | 59 | 72 | 750 | 187 | 221 | 126 | 155 |
| Chemical products | 1,377 | 76 | 99 | 43 | 58 | 752 | 180 | 213 | 112 | 128 |
| Food and beverage | 1,711 | 42 | 117 | 27 | 41 | 1,064 | 135 | 210 | 63 | 84 |
| Pulp and paper | 1,436 | 685 | 817 | 418 | 445 | 663 | 30 | 38 | 9 | 15 |
| Other manufacturing | 1,321 | 42 | 92 | 27 | 43 | 665 | 173 | 208 | 113 | 130 |
| Wholesale trade | 1,032 | 121 | 543 | 115 | 166 | 867 | 127 | 207 | 113 | 179 |
| Other non-manufacturing | 2,027 | 13 | 14 | 10 | 10 | 1,363 | 38 | 58 | 17 | 17 |
| Total | 20,819 | 3,477 | 4,575 | 2,707 | 3,005 | 12,585 | 3,307 | 4,068 | 2,310 | 2,891 |

APPENDIX VIII

Total Sales, Exports to the United States and to All Countries and to Parents and Affiliates in the United States and in All Countries, and Total Purchases, Imports from the United States and from All Countries and from Parents and Affiliates in the United States and in All Countries, All Reporting Corporations, by Industry, Annually, 1964 to 1968 (cont'd)

In millions of dollars

| Year and industry | Total sales | Export sales | | | | Imports (1) | | | | |
|---------------------------------|-------------|------------------|------------------|------------------|-----------------------------------|---------------------|--------------------|--------------------|------------------|------------------|
| | | Total | | | | Total | | | | |
| | | To United States | To all countries | In United States | To parents, etc. In all countries | Total purchases (1) | From United States | From all countries | In United States | In all countries |
| 1968 | | | | | | | | | | |
| Mining and primary metals | 969 | 329 | 466 | 266 | 310 | 387 | 77 | 84 | 55 | 59 |
| Gas and oil | 3,892 | 436 | 508 | 288 | 329 | 2,264 | 167 | 554 | 103 | 475 |
| Machinery and metal fabricating | 1,572 | 145 | 197 | 141 | 179 | 767 | 312 | 352 | 244 | 275 |
| Transportation equipment | 5,613 | 2,310 | 2,469 | 2,061 | 2,120 | 3,896 | 2,663 | 2,729 | 2,083 | 2,143 |
| Electrical products | 1,385 | 111 | 185 | 59 | 70 | 762 | 211 | 248 | 132 | 159 |
| Chemical products | 1,473 | 90 | 118 | 44 | 58 | 793 | 208 | 241 | 129 | 144 |
| Food and beverage | 1,783 | 36 | 94 | 26 | 33 | 1,027 | 120 | 199 | 60 | 89 |
| Pulp and paper | 1,502 | 684 | 857 | 412 | 447 | 654 | 34 | 46 | 7 | 12 |
| Other manufacturing | 1,428 | 50 | 106 | 30 | 53 | 687 | 201 | 232 | 140 | 160 |
| Wholesale trade | 1,053 | 84 | 521 | 75 | 151 | 898 | 123 | 220 | 109 | 196 |
| Other non-manufacturing | 2,048 | 19 | 20 | 12 | 12 | 1,369 | 36 | 61 | 10 | 10 |
| Total | 22,718 | 4,294 | 5,541 | 3,413 | 3,763 | 13,504 | 4,152 | 4,966 | 3,072 | 3,722 |

(1) Total merchandise purchases and imports throughout this publication include purchases of capital equipment items unless shown separately or otherwise stated.

